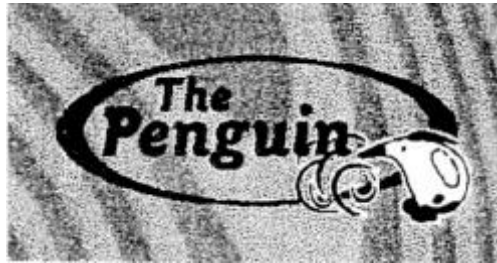


O-262-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS 2314377 AND 2314398
BY HOME-TEK INTERNATIONAL LIMITED
TO REGISTER THE TRADE MARKS:**



AND

PENGUIN

IN CLASS 7

AND

**THE OPPOSITIONS THERETO
UNDER NOS 91584 AND 91769
BY**

DE'LONGHI SPA

Trade Marks Act 1994

**In the matter of application nos 2314377 and 2314398
by Home-Tek International Limited
to register the trade marks:**



**and
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and the oppositions thereto
under nos 91584 and 91769
by De'Longhi SpA**

BACKGROUND

1) On 30 October 2002 Home-Tek International Limited, which I will refer to as Home-Tek, applied to register the above trade marks (the trade marks). The specification of each trade mark is:

steam cleaning apparatus; hand held steam cleaning apparatus; and parts and fittings for all the aforesaid goods.

The above goods are in class 7 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) De'Longhi SpA, which I will refer to as De'Longhi, has filed oppositions against each of the applications. It is the owner of the following trade mark registrations:

- United Kingdom registration no 1303781 of the trade mark:



It is registered for:

installations and apparatus, all included in class 11 for air conditioning.

- United Kingdom registration no 1422347 of the trade mark **PINGUINO**. It is registered for:

air conditioning apparatus; included in class 11.

- Community registration no 2598001 of the trade mark **PINGUINO**. It is registered for:

air-conditioning apparatus.

The above goods are in class 11 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) De'Longhi claims:

- The respective trade marks are similar and encompass similar goods and so there exists a likelihood of confusion. Registration of the trade marks would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).
- In the event that some or all of the goods are not considered similar, its trade marks have a reputation. Use of the trade marks would take advantage of or be detrimental to the distinctive character or repute of its trade marks. Registration of the trade marks would be contrary to section 5(3) of the Act.
- Use of the trade marks would be liable to be prevented by the law of passing-off and so their registration would be contrary to section 5(4)(a) of the Act.

4) De'Longhi requests the refusal of the applications and seeks an award of costs.

5) Home-Tek filed counterstatements in which it denies the grounds of opposition.

6) Only De'Longhi filed evidence.

7) After the completion of the evidence rounds both sides were advised that it was believed that a decision could be made without recourse to a hearing. However, the sides were advised that they retained their rights to a hearing. Neither side requested a hearing. Home-Tek furnished written submissions.

8) These two oppositions have not been consolidated. However, I cannot see that It serves any purpose to deal with them in two separate decisions.

EVIDENCE AND DECISION

9) The evidence of De'Longhi is by way of witness statements made by Stefano Beraldo. Mr Beraldo is the legal representative of De'Longhi.

10) De'Longhi makes a portable air conditioning unit under the trade mark Pinguino and



Somewhat unhelpfully, parts of the evidence of De'Longhi relate to air conditioning apparatus sold under the signs Pinguinone and Pinguinone and device. There is no pleading in respect of these signs and the equipment sold under them and so I do not see what bearing they have upon the case. Mr Beraldo states that the Pinguino brand was first used in the United Kingdom in 1990 and has been in continuous use since that date.

11) Exhibited at SB2 is a chart of what are described as "air con sales". Mr Beraldo states that this shows annual turnover figures for the United Kingdom and the rest of the world in relation to products bearing the Pinguino trade mark. As there is no indication of sales in the United Kingdom or the European Union, I cannot see that these figures can assist me.

12) Various material relating to the Pinguino air conditioners is exhibited at SB1. Certain of the material advises that the air conditioning units can also be used as dehumidifiers and air heaters. However, there is no indication of the dates from when the material emanates other than an advertisement from H&V News, which is dated 25 May 1991. Exhibited at SB3 are details of an advertising campaign for Pinguino, all of the material relates to 1991. Also exhibited at SB3 are two pages headed "Analisi standard". The document is in Italian. No explanation of what the details of the document are supposed to signify are given. There is no reference to Pinguino or even De'Longhi in the document. I have no idea what De'Longhi expects me to make of this unexplained document.

13) Exhibited at SB4 are a list of Pinguino trade marks from across the world. I cannot see how these have any bearing upon the case. At SB5 pages downloaded from the Internet on 21 October 2003 are exhibited. These show that De'Longhi, at that time, made steam cleaners under the names Sanisteam, Steam It Clean and Scopa.

Section 5(3) of the Act

14) To get off the ground under section 5(3) of the Act, De'Longhi has to establish a reputation in the terms of *General Motors Corporation v Yplon SA Case C-375/97* [2000] RPC 572 (*Chevy*). In its judgment the court stated the following:

“Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.”

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant factors of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it.”

“The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.”

In respect of the United Kingdom registrations this must be a reputation in the United Kingdom; in respect of the Community trade mark a reputation in respect of the European Union. There are no sales figures, no advertising or promotion figures for either the United Kingdom or the European Union. There is no indication of publicity since 1991. **Based upon the evidence before me the claim to a *Chevy* reputation is hopeless and this ground of opposition must be dismissed.**

Passing-off – section 5(4)(a) of the Act

15) The first matter that I have to decide in relation to the passing-off issue is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1988 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

The material date cannot, therefore, be later than the date of the application for registration. I have no evidence of use of either of the trade marks of Home-Tek and so the material dates for both will be the dates of application, 30 October 2002.

16) Pumfrey J in *South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 stated:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s 11 of the 1938 Act (see *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date."

The evidence of De'Longhi does not come anywhere near satisfying the requirements set out by Pumfrey J. The exhibited evidence of use stops in 1991. So even if De'Longhi had a reputation in relation to the trade marks at that time it would have difficulties in its case. As Lord Parker in *Spalding and Brothers v AW Gamage Limited* [1915] 32 RPC 273 at page 284 stated:

“Even in the case of what are sometimes referred to as Common Law Trade Marks, the property, if any, of the so-called owner is of its nature transitory, and only exists so long as the mark is distinctive of his own goods in the eyes of the public.”

I have nothing to suggest that the De'Longhi trade marks are distinctive of the goods. If De'Longhi was claiming a residual goodwill, which it has not, I cannot see that based upon the evidence that the claim could succeed. As Pennycuik VC stated in *Ad-Lib Club Limited v Granville* [1971] FSR1:

“It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.”

On the evidence before me I could not conclude that there is any residual goodwill or reputation. If De'Longhi had sold various air conditioners that were still in operation, this might establish residual goodwill. I have no evidence to this effect. **On the basis of the evidence before me the claim under section 5(4)(a) of the Act, in relation to passing-off, cannot be sustained as it fails to establish a reputation in the trade marks at the material date. The objection under section 5(4)(a) is dismissed.**

Likelihood of confusion – section 5(2)(b) of the Act

17) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”

The De'Longhi trade marks are earlier trade marks as defined by section 6(1)(a) of the Act.

18) In *British Sugar Plc v James Robertson & Sons Limited*, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, the European Court of Justice held in relation to the assessment of the similarity of goods and services that the following factors, inter alia, should be taken into account: their nature, their end users and their method of use and whether they are in competition with each other or are complementary. I do not consider that there is any dissonance between the two tests. However, taking into account the judgment of the European Court of Justice, it is necessary to consider whether the respective goods are complementary.

19) The goods of the application are for steam cleaning. The goods of the earlier registration are for air conditioning. The purpose and the use are completely different. Consequently, the user will also be completely different; someone who wishes to clean against someone who wishes to lessen the temperature. One would not substitute an air conditioner for a steam cleaner, they are not in competition. I can see no way that the respective goods are complementary to each other. In my experience cleaning apparatus is not mixed with air conditioning apparatus at point of sale. If for sale in a large retail establishment, the respective goods are not likely to be in the same area. The best that can be said of De’Longhi’s claim of similarity is that the respective goods are likely to be powered by electricity; which is hardly a firm foundation for similarity. De’Longhi seems to argue that because under other brand names it produces steam cleaning apparatus, that such goods must be similar to air conditioners. The very fact that it uses different brand names suggests the very opposite. That some undertakings produce a large number of goods does not make them similar. On the De’Longhi logic an electric razor and a deep fat fryer are similar, as I know of at least one major electrical goods producer which produces both types of goods.

20) The claim that the respective goods are similar is hopeless. They are quite patently not similar in any shape or form. To succeed under section 5(2)(b) of the Act the goods have to be similar; that is what the Directive states, it is what the Act states. It is what is pointed out in *Sabel BV v Puma AG* [1998] RPC 199:

“it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if by reason of the identity or similarity both of the marks and of the goods or services which they designate, “there exists a likelihood of confusion on the part of the public”.”

As the respective goods are not similar, the claim under section 5(2)(b) cannot succeed and is dismissed.

COSTS

21) Home-Tek International Limited has been successful in this opposition and so is entitled to a contribution towards its costs. In coming to a decision as to the amount of costs, I have taken into account the highly similar nature of the cases and the identical nature of the evidence. I order De’Longhi SpA to pay Home-Tek International Limited the sum of £800 in respect of the two oppositions. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 25th day August of 2004

**David Landau
For the Registrar
the Comptroller-General**