

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 884290 AND A REQUEST FOR PROTECTION IN THE UNITED KINGDOM BY SHOFU, INC.

AND IN THE MATTER OF OPPOSITION NO. 71418 THERETO BY HERAEUS KULZER GMBH

OPPONENT’S APPEAL TO AN APPOINTED PERSON FROM THE DECISION OF MR GEORGE SALTHOUSE DATED 23 JULY 2008

DECISION

Introduction

1. This is an appeal brought under section 76 of the Trade Marks Act 1994 (“the Act”) against a decision of the Registrar’s Hearing Officer, Mr George Salthouse, to reject an opposition against a request to protect an international trade mark in the United Kingdom under the Trade Marks (International Registration) Order 1996 (“the IR Order”).
2. The trade marks in issue are depicted below. They are both for use in relation to a variety of dental products.

Applicant’s trade mark (“the Mark”)	Opponent’s earlier trade mark
HY-BOND RESIGLASS (word only)	iBond – generally used in the form in which it is registered, as follows: iBond

Case history

3. On 16 February 2006, Shofu, Inc. (“the Applicant”) requested protection of the Mark in the United Kingdom by extension of international trade mark no. 884290,

pursuant to the Madrid Protocol. The request was made in respect of the following goods:

Class 5: Chemical products for medical and technical dental purposes, included in this class; material for stopping teeth and dental wax; material for producing artificial teeth and dentures; dental cements; adhesives for composites, adhesive agents, dental restoration material; dental materials, included in this class; porcelain and ceramics as well as plastic and ceramic facing materials for teeth and dentures.

Class 10: Dental instruments and apparatus; artificial teeth and dentures; dental crowns and bridges.

4. The United Kingdom Trade Marks Registry considered that the request satisfied the requirements for protection in accordance with article 3 of the IR Order, and published particulars of the international registration in Trade Marks Journal No.6644 on 4 August 2006.

5. Heraeus Kulzer GmbH (“the Opponent”) filed a notice of opposition to the conferring of protection of the Mark on 2 November 2006, raising objections under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”), based on its earlier registration and use of the trade mark “iBond”. The stylised version of the Opponent’s mark (shown in paragraph 2 above) has been a protected international trade mark (UK) (no. 795010) since 19 September 2004 in respect of the following goods:

Class 5: Chemical products for dental purposes and for dental engineering purposes; dental adhesives and adhesion promoters.

6. The Applicant defended the opposition by Notice of defence and counterstatement dated 21 February 2007.

7. Only the Opponent filed evidence, and only the Opponent was represented (by Mr Max Stacey of Baron & Warren) at the hearing which took place on 4 June 2008.

8. The hearing officer dismissed the opposition on all three grounds in a written decision dated 23 July 2008 (O/211/08 – “the Decision”).

9. On 20 August 2008, the Opponent gave notice of appeal to an Appointed Person. The hearing of the appeal took place before me on 13 January 2009, at which the Opponent was again represented by Mr Stacey of Baron & Warren. Again, the Applicant did not attend and was not represented, and it filed no written submissions in advance.

Approach to this Appeal

10. As the Opponent accepts, my job is to review the Decision, not to re-hear the case. I should show “a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle”: *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5 at [28]. A decision does not contain an error of principle merely because it could have been better expressed.
11. I also bear in mind the observation of Daniel Alexander QC (sitting as a Deputy High Court Judge) in *Digipos Store Solutions Group Ltd v Digi International Inc.* [2008] EWHC 3371 (Ch) at [6] that:

In the context of appeals from the Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing similarities between marks, attributing too much or too little discernment to the average consumer or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference.

Statutory provisions

12. The relevant parts of section 5 of the Act provide as follows:

- (2) A trade mark shall not be registered if because –
- (a) ...
- (b) 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 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.
- (3) A trade mark which is identical with or similar to an earlier trade mark shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.
- (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, ...
- (b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.

13. These provisions implement various parts of Article 4 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (“the Directive”).

Outline of the Decision

14. After setting out the essential details of the parties' respective marks and the case history, the Hearing Officer noted (at paragraph 4 of the Decision) that the Applicant had acknowledged in its counterstatement that the goods covered by the Mark were similar, and in some cases identical, to goods covered by the Opponent's earlier trade mark.
15. He then summarised the Opponent's evidence, which comprised a witness statement made by the Opponent's trade mark attorney, Mr Stacey, with exhibits supporting his statements about the original launch of the Opponent's "iBond" dental adhesive in January 2003, its subsequent marketing, and the success of the product within the dental field.
16. The Opponent does not criticise the Hearing Officer's summary of the evidence as such, so I do not go into further detail at this point, except to say that the summary was detailed and thorough. (I deal later with objections that are raised in relation to the weight that the Hearing Officer gave to various aspects of the evidence, and to a particular finding of fact that is said not to be established by the evidence.)
17. The Hearing Officer dealt with the section 5(2)(b) ground of opposition first; then that under section 5(4)(a); and finally section 5(3). As already mentioned, he found in favour of the Applicant in each case.
18. I break off at this point to summarise the Opponent's grounds of appeal, since some are directed at all three grounds of opposition, after which I shall pick up my summary of the Decision in the context of each of those grounds.

Grounds of appeal

19. The grounds of appeal identify errors made by the Hearing Officer that fall into two broad categories: errors in his assessment of the evidence; and errors in his assessment of similarity of the marks.
20. The objections concerning the Hearing Officer's assessment of the evidence are that:
 - (1) he failed to give due regard to the fact that the Applicant did not challenge the Opponent's evidence, which therefore should have been accepted;
 - (2) he failed to give sufficient weight to the evidence of repute as a whole, in particular the positive product and peer reviews;
 - (3) his finding that "clients will normally be expected to provide a reference number rather than simply using the name of a product" when placing orders by telephone was not borne out by the evidence and was incorrect;

- (4) in any event, there were other circumstances in which oral use would arise, which the Hearing Officer failed to consider, such as discussions between dental practitioners and their staff and between sales representatives and dental staff; and
 - (5) the failure identified under (4) above and his reliance on the fact that telephone ordering by product name would only be a small percentage of sales meant that he gave insufficient weight to the oral/phonetic similarity between the marks.
21. In relation to the assessment of similarity, the Opponent complains that the Hearing Officer gave insufficient weight to the following factors:
- (6) the importance of the first part of the mark, especially when assessing phonetic similarity;
 - (7) the fact that the HY-BOND element of the Mark has “independent distinctive presence in its own right”;
 - (8) the phonetic similarity of the first element of the Mark with the Opponent’s earlier trade mark (this overlaps with both grounds (5) and (6) above); and
 - (9) the principle of imperfect recollection, in that he indulged in a minute analysis of the HY-BOND element of the Mark in differentiating it from “iBond” .
22. In addition, the Opponent contends that the Hearing Officer:
- (10) failed to take into account the fact that the identity/close similarity between the goods covered by the parties’ respective marks meant that a lesser degree of similarity between the marks was sufficient to establish the various grounds of opposition; and
 - (11) as a result of the above errors, he “incorrectly applied the standard assessments as set down in decisions of the ECJ”.
23. Two additional grounds of appeal appeared in the Opponent’s skeleton argument:
- (12) the Hearing Officer erred in arriving at the conclusion that “iBond” “borders on the descriptive”, especially given that there was no evidence to that effect and given that the fact of registration of the mark means that it has to be accepted as being registrable per se; and
 - (13) even if the Hearing Officer’s substantive decision was correct, his costs award in favour of the Applicant was excessive and failed to take into account the correct scale charges set out in Tribunal Practice Notice 2/2000 (Costs in Proceedings Before the Comptroller).

Section 5(2)(b) – the Decision

24. The Hearing Officer started his analysis under section 5(2)(b) of the Act by confirming that the Opponent’s protected international trade mark (UK) no. 795010 was an “earlier trade mark” within the meaning of the provision and that it was not subject to the Trade Marks (Proof of Use, etc) Regulations 2004.
25. He then stated that he took into account the guidance provided by the European Court of Justice (“ECJ”) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Matratzen Concord GmbH v. OHIM* [2004] ECR I-3657, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* [2005] ECR I-8551 and *OHIM v. Shaker di L. Laudato & C. Sas* [2007] ECR I-4259. These are the key judgments in which the ECJ has considered the meaning and effect of Article 4(1)(b) of the Directive, from which section 5(2)(b) is derived, and its parallel provision under Community trade mark law, Article 9(1)(b) of Council Regulation 40/94/EEC (“the CTMR”).
26. The Hearing Officer also cited an extract from a decision of David Kitchin QC (as he then was), sitting as the Appointed Person in *STEELCO Trade Mark* (BL O/268/04), which I reproduce in slightly shortened form below:

The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.

27. In his assessment of the distinctiveness and reputation of the Opponent’s earlier trade mark, the Hearing Officer said the following:

28) I am willing to accept the contention, in this case, that articles in magazines originally published in the USA find their way into the highly specialised magazines which relate specifically to the dental practitioner market. At the hearing Mr Stacey stated that the term “TE” shown in relation to turnover referred to “thousand Euros”. If I accept this explanation it means that the opponent enjoyed an average per annum turnover in the three years prior to the application of 9,000 Euros, approximately £6,000 PA. I was also referred to the quote shown in my

evidence summary above at paragraph 19 which states that the opponent's product was, by the end of 2006, the second most popular dental etch product in the UK and would probably become the number one choice. Given that the sales figures were falling from an initial 14,000 Euros in 2003 to 5,000 Euros in 2006 this suggests that the market is receding for such products if declining sales still result in the product growing in popularity. I am willing to accept that the opponent's mark had, at the relevant date, a degree of reputation. However, I do not accept the contention that the opponent has shown that this reputation was such that it deserves enhanced protection.

29) I have to consider whether the opponent's mark has a particularly distinctive character arising from the inherent characteristics of the mark. In my opinion, the opponent's mark "iBond" is, just, inherently distinctive for dental adhesives etc, although it clearly alludes to the nature of the product and verges on the descriptive. It has a very low level of distinctiveness which will be a factor in my decision.

28. The Hearing Officer stated (at paragraph 30) that it was accepted by both parties that the relevant average consumers are dental technicians and other professionals working in the field as dentists, dental technicians and dental nurses. However, he said that he should not assume that because of this they would all be sophisticated consumers and added that he must take into account the doctrine of imperfect recollection.

29. Moving on to his detailed comparison of the parties' respective trade marks, the Hearing Officer expressed himself as follows:

32) Visually there are several differences between the marks. The applicant's mark starts with the letters "HY" whereas the opponent's mark begins with the letter "i". Both then have a hyphen and the word "Bond". The applicant's mark then has the word "Resiglass". The applicant's mark is significantly longer than the opponent's mark.

33) Aurally the marks differ with regard to the first syllable, have identical second syllables, with the applicant's mark then having an additional three syllables. I do not believe that the applicant's mark will be so abbreviated in its first syllable that the term "HY" will be pronounced "I". Conceptually the marks have only slight differences. They both allude to the nature of the product and do precisely "what it says on the tin". When used on dental adhesives the statement that "I bond" borders on the descriptive, in much the same manner as "Hy or high bond". The last part of the applicant's mark would be seen as an indication of what it is made from. The opponent contended that the word "Bond" in each mark was descriptive and so the marks would be reduced to "hy" and "i". This it was claimed would increase the potential for confusion. I do not accept the premise that the average consumer would reduce the marks to such an extent.

34) I was referred to the potential for confusion if the goods were ordered via the telephone. I accept that such goods could be ordered using the telephone, although they could also be ordered via the Internet, by written post or e-mail or face to face with a representative of the company. To my mind, and the evidence bears this out, when placing an order the clients will usually be expected to provide a reference number rather than simply using the name of the product. Telephone ordering is also only one method used in purchasing the product so even if the name was used

instead of a reference number it would only be in regard to a small percentage of overall sales.

35) Clearly there is a degree of similarity in the marks as the word “bond” appears in both. However, as this is very descriptive of an adhesive I do not place much weight upon this. To my mind the differences in the marks far outweigh any similarities.

30. In relation to the respective specifications of the parties’ trade marks, the Hearing Officer said:

37) There is clear overlap in the class 5 goods such that they must be regarded as identical. The applicant’s class 10 goods are complementary to the opponent’s class 5 goods and so there is a degree of similarity albeit quite low.

38) The opponent’s strongest case is in relation to the class 5 goods as these are identical...

31. He concluded as follows:

38) ... Taking account of all of the above when considering the marks globally, I believe that there is not a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails.

Section 5(2)(b) – Appeal

32. Although the Hearing Officer did not set out the principles laid down by the ECJ authorities on which he relied for guidance, it is reasonable to assume that he understood them and bore them in mind when conducting his analysis, unless there is something in his decision that clearly demonstrates a failure to do so. The standard summary of these principles, which is often used by Registry hearing officers and Appointed Persons, and was most recently set out in Arnold J’s judgment in *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), is as follows:

- a. the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- b. the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- c. the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

- d. the appreciation of the visual, aural and conceptual similarities of the marks must therefore be based on the overall impression created by the marks bearing in mind their distinctive and dominant components;
 - e. there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
 - f. there is an interdependence between the various relevant factors, so that a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
 - g. mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
 - h. the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
 - i. the risk that the public might wrongly believe that the respective goods or service come from the same or economically linked undertakings constitutes a likelihood of confusion.
33. There was no dispute as to who the relevant average consumer would be in this case: in the Hearing Officer's words, "dental technicians and other professionals working in the field as dentists, dental technicians and dental nurses". In its skeleton argument, the Opponent added "dental school professionals and academics" to this list, but it was not suggested that these additions would alter the perception of the notional consumer. The important point is that the consumer concerned is someone with reasonable knowledge of the field of dentistry and the products available for use in the field. S/he is not simply a member of the general public.

Distinctiveness / Descriptiveness of "iBond"

34. The objection to the decision that was added in the skeleton argument (numbered (12) in the list at paragraph 23 above) is worth considering first, since it relates to the degree of distinctiveness of the Opponent's earlier trade mark, which has to be borne in mind when assessing similarity and the likelihood of confusion. By referring to the Appointed Person decision in *STEELCO Trade Mark*, the Hearing Officer demonstrated clearly that he understood the need to assess the distinctive character of the Opponent's earlier trade mark by reference not only to the inherent descriptiveness of any element of the mark, but also to the existence of other similar descriptive marks on the market, to the use which has been made of the Opponent's mark, and to all the circumstances of the individual case.
35. In my view, there was ample basis for the Hearing Officer to conclude that "iBond" "borders on the descriptive":

- (1) Firstly, the word “bond” is an ordinary English word with everyday meanings both as a noun and a verb associated with joining, fastening or gluing something together.
- (2) Secondly, the Class 5 specification for the “iBond” mark includes goods that plainly intended for bonding purposes, such as “dental cements”, “adhesives for composites”, and the like.
- (3) Thirdly, the text of the Opponent’s own product launch notice found at exhibit JMS1, stated:

“**iBond** is the first true one-component self-etching bonding system. Etching, priming, bonding and desensitizing steps are done all in one.

The **iBond** one-component system is suitable for bonding direct composite restorations as well as indirect restorations made of composite, polyglass, and porcelain.”

(Underlining added.)

- (4) Fourthly, as noted by the Hearing Officer (at paragraph 21), Mr Stacey himself stated in his witness statement:

“It will be noted from the various materials on file that BOND is a common term for such adhesives.”

Indeed, the following names were among those used for dental bonding materials in Mr Stacey’s exhibits: BOND (on its own), G-Bond, GC G-Bond, Clearfil SE Bond and One Up Bond.

36. The Hearing Officer appears to have thought that the Opponent’s mark could be perceived as a statement in the first person, “I bond” (see paragraph 33). I am not sure how likely this is, as it seems to me that the existence of other BOND trade marks with letters as prefixes would be more likely to lead the average consumer to assume that the letter “i” was simply an indication of the nature of the Opponent’s particular bonding system or the first letter of a word that described it. But the fact that my own perception is slightly different is not enough to conclude that the Hearing Officer made a material error here. The important point is that the addition of the letter “i” leaves the descriptive “Bond” element of the earlier trade mark plain to be seen, and is not sufficient to result in a mark with an overall high degree of inherent distinctiveness. Contrary to the Opponent’s suggestion, the Hearing Officer approached the matter on the basis that the mark “iBond” had sufficient distinctive character to justify its registration, albeit only just. I can see no material error in the Hearing Officer’s assessment that “iBond” “borders on the descriptive”, or his approach to the case on that basis.

Assessment of the evidence

37. Although the Opponent made a generalised complaint that the Hearing Officer failed to give due regard to the absence of any challenge to its evidence (ground (1) in the list above), no specific examples were given of evidence that was not accepted as such. Having reviewed the evidence myself, and read the Hearing Office's thorough summary of it, I do not regard this point as having any merit.
38. With regard to the evidence of repute, the Hearing Officer appears to have accepted that the Opponent has a market leading position in the United Kingdom as a supplier of dental products to the dental profession (paragraph 7); he accepted that the iBond product was launched in the UK in January 2003 and had therefore been on the market for three years prior to the application to protect the Mark; and he took into account the publicised product evaluations and the evidence about how those would have come to the attention to the dental profession in United Kingdom. The turnover figures during the relevant period were relatively low (€14K in 2003, €5K in 2004, and €8K in 2005). Mr Stacey informed me that there had been a mistake in these figures, which were in fact much higher, but he did not present alternative figures and accepted that I should proceed on the basis that they were correct.
39. Based on the available evidence, the Hearing Officer accepted that the Opponent's mark had acquired a degree of reputation at the relevant date (paragraph 28). Although he went on to say that this reputation was not such as to give "enhanced protection" to the mark, it appears to me that this was simply to lay down a marker for when he would return to the question of reputation under section 5(3) of the Act. I do not interpret this as an indication that he would ignore the fact that the Opponent's mark had been used so as to acquire a degree of reputation for the purpose of his assessment under section 5(2)(b). He clearly understood the need to take this into account, and I believe that he correctly did so. I therefore reject the ground of appeal numbered (2) in the list above.
40. The next point on the evidence (ground (3)) was that the Hearing Officer was wrong to have stated (at paragraph 34) that, "when placing an order the clients will usually be expected to provide a reference number rather than simply using the name of the product" and that the evidence bore this out. It is true that there was no direct evidence about the use of reference numbers in telephone ordering, but the Hearing Officer no doubt had in mind the Opponent's own product lists that appeared in Mr Stacey's exhibits, which all listed reference numbers (described as product codes or order numbers) against the product names (see JMS1, p.7; JMS2, p.12; JMS4, p.47; JMS13, p.119; and JMS14, p.122 & 124). The Hearing Officer was entitled to draw his own inferences from the sum of the evidence before him, and I am unable to say that he made a material error in drawing this particular inference.

41. Mr Stacey impressed on me the point that the Hearing Officer paid too little regard to the risk of aural confusion. He submitted that, even if telephone ordering only constituted a small percentage of overall sales (as the Hearing Officer stated), if there was a real risk of confusion arising out of such orders, this meant that the opposition should succeed. Further, he pointed out that the Hearing Officer had failed to consider other forms of oral use, such as discussions between dental technicians and their staff and between sales representatives and dental staff. (There was no evidence submitted about such discussions, though it would appear reasonably likely that they would take place.) However, it is not correct to say that the Hearing Officer failed to consider such discussions. He specifically referred to them in paragraph 34 of the Decision, which I have set out above.
42. I do not believe that further consideration of oral use of the parties' respective marks would have made any difference to the Hearing Officer's conclusion, since he had already indicated (at paragraph 33) that he did not consider the Opponent's mark to be particularly similar to the Mark from the aural perspective.
43. Although the Opponent would have liked the comparison to have been between iBond and HY-BOND, the correct comparison was – as the Hearing Officer found – between iBond and HY-BOND RESIGLASS as a whole. Had there been evidence that RESIGLASS was the common name for a material used in dentistry which might in the normal course have been used in conjunction with a proprietary name for an adhesive, then the situation might have been different. The Hearing Officer thought that the word RESIGLASS would be seen as an indication of what the Applicant's product was made from, but that is not the same as saying that it was a purely descriptive term or a common name used in the field of dentistry which should be ignored. It is an element of the Mark which helps to distinguish it from the Opponent's mark when the two are each considered as a whole, whether visually or aurally. I therefore reject grounds (4) and (5) in the list above.

Similarity of marks

44. I turn to consider whether any of the criticisms of the Hearing Officer's approach to assessing similarity of the marks are sufficient to establish material errors. (See the grounds numbered (6) to (9) in the list under paragraph 21 above.)
45. The Opponent claims that the Hearing Officer gave insufficient weight to the first part of the Mark when comparing it with the earlier trade mark. Its submission is that the average consumer would focus on the HY-BOND element, resulting in closer similarity with "iBond" than if one assumes that both the HY-BOND and RESIGLASS elements of the Mark were of equal importance. Mr Stacey referred to the decision of the Appointed Person in *SOUTH BECK* (O-160-08) as authority for

this proposition, but I do not think that it supports him. What the Appointed Person (Richard Arnold QC) actually said was this:

18. Next, counsel for the opponent submitted that the hearing officer had erred in law in stating that it was trite law that the beginning of a trade mark was usually the most important element. I agree that the hearing officer was not correct to state the law in that way. I believe that what the hearing officer had in mind was the well-established principle that “the tendency of persons using the English language to slur the termination of words also has the effect necessarily that the beginning of words is accentuated in comparison and, in my judgement, the first syllable of the word is, as a rule, far the most important the purpose of distinction” per Sargent LJ in *London Lubricants (1920) Ltd’s Application (TRIPCASTROID)* (1925) 42 RPC 264 at 279: see *Kerly’s Law of Trade Marks and Trade Names* (14th ed) at §17-047. This is only a rule of thumb concerning the aural use of words, however: see *FIORELLI Trade Mark* [2006] EWHC 3284 (Ch), [2007] RPC 18 at [34]. Nevertheless, I do not consider that this represented a material error of principle on the part of the hearing officer.

46. In the *FIORELLI* case referred to in this extract, the Judge commented on Sargent LJ’s observation quoted above as follows (at [34]):

In the first place that observation, it seems to me, must be treated with caution, even when considering the aural similarity between two marks. The observation must be considered both in the context of the particular marks which the Court of Appeal was considering and in the context of a case which was heard and determined over 80 years ago. ... even taking the remarks of Sargent L.J. at face value, it is impossible to say that “similar considerations apply when considering visual similarity”. That would involve the absurd proposition that the vision of a person looking at a mark which consists of a word becomes in some way more blurred towards the end of the word than at the beginning of the word. This, to my mind, is clearly wrong. From a purely visual point of view a person looking at a mark, whether it be a word or a symbol, is going to look at it as a whole.

47. Thus it is clear that *SOUTH BECK* does not support the Opponent’s submission at all in relation to visual similarity and is of doubtful support in relation to aural similarity. In any event, if it were correct that the beginning of a mark was the most important element, it is not clear why that should be limited to the first word of a two-word mark rather than the first syllable of a two-syllable word. Taking the latter approach, one would expect the difference between the HY of HY-BOND and the “i” of “iBond” to be particularly noticeable. Not surprisingly, the Hearing Officer did refer to that difference, but I do not think that he over-emphasised it. I reject the criticism that he wrongly indulged in a minute analysis of the HY-BOND element of the Mark in differentiating it from “iBond”, having failed to give due weight to the principle of imperfect recollection. He made an express reference to the fact that he had to take this principle into account at paragraph 30 of the Decision, and I believe that he went on to do so.

48. The fact that the Hearing Officer made direct comparisons between the HY-BOND element of the Mark and “iBond” shows that he regarded HY-BOND as a distinctive

element of the Mark. The criticism that he gave insufficient weight to that fact is just the sort of criticism which the Judge in *Digipos* said did not amount to an error of principle warranting interference. As I have already indicated, the Hearing Officer was right to make an overall comparison between the Mark as a whole, HY-BOND RESIGLASS, and the earlier trade mark, “iBond”, in accordance with the global appreciation test.

Interdependence of similarity of marks and goods

49. There is nothing in the Opponent’s contention that the Hearing Officer failed to take into account the fact that the goods covered by the parties’ respective marks were identical and/or very similar when assessing likelihood of confusion (ground (10)). He expressly looked at the Opponent’s strongest case, being in relation to those goods in class 5 which were identical, when concluding that there was no likelihood of consumers being confused. Having cited the relevant ECJ authorities, he was aware of the principle of interdependence. He simply regarded the parties’ marks to be insufficiently similar for confusion to arise, even when used on identical goods. I do not detect any error in his approach or ultimate conclusion, and I therefore also reject the Opponent’s “sweep-up” contention (ground (11)) that the Hearing Officer “incorrectly applied the standard assessments as set down in decisions of the ECJ”.
50. I therefore conclude that there is no basis for setting aside the Hearing Officer’s decision in relation to the ground of opposition under section 5(2)(b).

Section 5(4)(a)

51. Having set out the text of section 5(4)(a) of the Act, the Hearing Officer referred to the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in *WILD CHILD* [1998] RPC 455, as to how to approach an opposition based on the ground that the mark applied for is liable to be prevented by virtue of the law of passing off. He reproduced a substantial extract from that case, which I do not intend to duplicate here. I simply highlight the three necessary elements required for an opposition based on the risk of passing off:

- (1) the Opponent’s goods must have acquired goodwill in the market by reference to the earlier mark on which he relies;
- (2) the use by the Applicant of the Mark would give rise to a misrepresentation that would be likely to lead the notional average consumer to believe that his goods are those of (or connected in the course of trade with) the Opponent; and
- (3) the Opponent would be likely to suffer damage as a result.

52. The Hearing Officer also referred to the guidance given by Pumfrey J in *South Cone Inc. v Jack Bessant* [2002] RPC 19 and Professor Annand sitting as the Appointed Person in *LOADED* (BL O/191/02), concerning the difficulties that can arise in relation to proof of reputation in a case that is assessed on paper. He confirmed that, on the evidence, the Opponent had established reputation and goodwill under the mark “iBond”. But the other two elements were not proved. In his words:

45) Earlier in this decision I found that use of the applicant’s mark, actual or on a fair and notional basis would not result in confusion with the opponent’s mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) of the Act must fail.

53. None of the grounds of appeal relied on by the Opponent raise any allegation of mistake as to the law or principles on which the Hearing Officer relied under this head. Having rejected the various objections to the Hearing Officer’s assessment of the evidence and to the manner in which he compared the parties’ respective marks when dealing with section 5(2)(b) above, it will be clear that I regard these objections as similarly flawed in relation to section 5(4)(a). Accordingly, I can find no basis for overturning the Decision in relation to this provision.

Section 5(3)

54. The Hearing Officer again took the traditional approach in Registry decisions of setting out the text of section 5(3) of the Act and then referring to the following list of authorities which have considered this provision and the provision in the Directive from which it is derived, or its equivalent in the CTMR: *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, C.A. *Sheimer (M) Sdn Bhd’s TM Application (Visa)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7, *Davidoff & Cie SA v Gofkid Ltd (Davidoff)* [2003] ETMR 42, *Adidas-Salomon Ag v Fitnessworld Trading Ltd* [2003] ECR I-12537, *Spa Monopole Compagnie Fermiere de Spa SA/NV v OHIM* [2005] ECR I-1825 and *esure Insurance Ltd v Direct Line Insurance plc* [2008] RPC 6.

55. He then stated the following:

50) Once the matter of reputation is settled any opponent must then show how the earlier trade mark would be affected by the registration of the later trade mark. Both tests require very high hurdles to be cleared. The onus is upon an opponent to prove that his earlier trade mark enjoys a significant reputation or public recognition and he needs to furnish the evidence to support his claim. The evidence

provided has been summarised at paragraph 27 above. It is clearly insufficient to clear the considerable first hurdle required by *Chevy*.

51) For the record, I should state that even if I was able to conclude that the opponent had a sufficient reputation there is no evidence to suggest that unfair advantage is likely to be taken by the applicant or that there will be any detriment caused to the opponent or their trade mark (*Viagra v Viagrene* [2001] FSR 3). Consequently the ground fails.

56. The Opponent did not challenge the Hearing Officer's characterisation of the requirement of reputation under section 5(3) as a "very high hurdle". The ECJ has expressly avoided laying down specific percentages or other quantitative requirements as to the degree of reputation required, but has instead offered the following guidance in *General Motors v Yplon* [1999] ETMR 950:

24. 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 the specific sector.

25. It cannot be inferred from either the letter or the spirit of article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. 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.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts 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 investments made by the undertaking in promoting it.

57. The Hearing Officer correctly assessed the reputation of the Opponent's "iBond" mark by reference to specialist consumers in the dental field (see paragraph 28 above). He considered all of the available evidence about the market for the relevant dental products, and about the Opponent's "iBond" products within it. There was no evidence either of market share or of the Opponent's investment in promoting its products. (The closest the evidence got to hard information about market share was a statement in *The Dentist* trade magazine that "Heraeus Kulzer's iBond is already the UK's second most popular self-etch dental adhesive and its sustained growth rate suggests that it is poised to become the number one choice, and possibly the second fastest selling of all dental adhesives", but this statement was made in December 2006, thus leaving the position at the relevant date (16 February 2006) open to question.) This lack of evidence, combined with the low turnover figures during the relevant period, left it open for the Hearing Officer to conclude, as he did, that the proved reputation was insufficient to justify the enhanced protection afforded by section 5(3), notwithstanding the peer review evidence that was presented. I am unable to discern any material error in his approach or conclusion.

58. Since the Decision was issued, the ECJ has given the following further guidance in relation to the interpretation of article 4(4)(a) of the Directive, in Case C-252/07 *Intel Corporation Inc v CPM United Kingdom Limited (INTELMARK)*:

30. The types of injury referred to in Article 4(4)(a) of the Directive, where they occur, are the consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them ...

31. In the absence of such a link in the mind of the public, the use of the later mark is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

32. However, the existence of such a link is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(4)(a) of the Directive, which constitute, ..., the specific condition of the protection of trade marks with a reputation laid down by that provision.

59. Later, the Court said:

55. Accordingly, for the purposes of assessing whether there is a link between the conflicting marks, the degree of the earlier mark's distinctive character must be taken into consideration.

60. In the light of the Hearing Officer's earlier finding that the Opponent's "iBond" mark had a low level of distinctiveness, even taking into account the available evidence of reputation, and the differences that he identified between the parties' respective marks, it would have been difficult for the Opponent to establish the likelihood of the necessary link in the mind of the relevant consumer, and I do not think that it succeeded in doing so. Accordingly, I agree with the Hearing Officer's assessment that – even if he was wrong about reputation – there was no likelihood of unfair advantage to the Applicant or detriment to the Opponent or the distinctive character of its mark.

61. I therefore reject the appeal in relation to the section 5(3) ground of opposition.

Costs

62. The Opponent's appeal having failed, the usual costs provision would be to leave the first instance award in favour of the Applicant in place and to order the Opponent to contribute to the Applicant's costs in relation to the appeal. However, as indicated at paragraph 23 above, the Opponent contended that the Hearing Officer's costs award was excessive and should be reviewed and revised downwards even if (as has turned out to be the case) the appeal was unsuccessful.

63. Although this point was not raised in the notice of appeal, I allowed the Opponent to pursue it at the hearing, since I believed that it had considerable merit and because it is not uncommon for first instance costs to be looked at again on appeal. I told Mr

Stacey that, if I were inclined to find in the Opponent's favour, I would have to invite submissions from the Applicant, which had not been given advance notice of a complaint about the costs award, before I could reach a final decision on the point.

64. The Hearing Officer's consideration of costs was set out in the last paragraph of the Decision, as follows:

52) As the opponent was unsuccessful the applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £2,000. This sum 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.

65. This statement does not give any indication as to how the sum payable was calculated by the Hearing Officer. In the absence of any indication to the contrary, it must be assumed that he intended to adopt the long-established practice of awarding costs by reference to the relevant published scale, which is to be found in the Annex to Tribunal Practice Notice 2/2000.

66. As indicated above, the Applicant did not file any evidence in the case; it filed no written submissions in the lead up to the first instance hearing; and no-one appeared on its behalf at the hearing. In those circumstances, the maximum that one would expect to have been awarded under the scale in TPN 2/2000 was £1,250, broken down as follows:

1. Considering Notice of opposition and accompanying statement	£200
2. Notice of defence and counter-statement	£300
3. Considering evidence	≤ £750

67. In a case where the Opponent's evidence consisted of one short witness statement, exhibiting only 131 pages of straightforward material, it would be unusual for the full sum of £750 to be awarded. The Opponent submitted that this sum would in fact have been an appropriate overall figure for the Hearing Officer to have awarded by way of contribution to the Applicant's costs.

68. While the Registrar does have a wide discretion to award "such costs as he may consider reasonable" under section 68 of the Act, this discretion is subject to the overriding factor that he must act judicially: *Rizla Ltd's Application* [1993] RPC 365. If the Hearing Officer had intended to award costs off the usual scale, he should have explained why this was the case. I very much doubt if that was his intention, in the circumstances of this case. It appears to me that he simply failed to take into account the fact that the Applicant was inactive in the case following submission of its notice of defence and counter-statement. I believe that this is a circumstance in which it is appropriate for me to interfere with the award of costs at first instance, in

accordance with the following guidance given by Sir Peter Gibson in *Martin v Randall* [2007] EWCA Civ 1155:

[16] An appellate court's ability to interfere with a trial judge's exercise of discretion is constrained. It is only where the trial judge has exceeded the generous ambit within which reasonable disagreement is possible that the appellate court is entitled to interfere. An often adopted statement of the circumstances in which an appeal against an exercise of discretion will be allowed is that of Stuart-Smith LJ in *Roache v News Group Newspapers Ltd* [1998] EMLR 161 at p 172:

'Before the court can interfere it must be shown that the judge has either erred in principle in his approach or has left out of account or has taken into account some feature that he should, or should not, have considered, or that his decision was wholly wrong because the court is forced to the conclusion that he has not balanced the various factors fairly in the scale.'

69. In contrast to my views on the grounds of appeal against the substantive parts of the Decision, I conclude that the Opponent's objection to the size of the costs award at first instance is well-founded. On my assessment, an order for the payment of £1,000 would have provided appropriate compensation to the Applicant within the scope of the relevant scale of fees.
70. As I indicated at the start of this section, I believe that it would be unfair to replace the Hearing Officer's costs award without giving the Applicant the opportunity to make any submission as to why it should remain in place. This part of my decision will therefore remain provisional for a period of 21 days from notification of the Applicant. If the Applicant either expressly accepts the revised award or does nothing within that period, my order will become final. In the alternative, if the Applicant gives written notice of its intention to defend the appeal against the first instance cost award and to challenge my provisional decision, I shall then notify the parties of how I intend to deal with the matter.
71. The Applicant should not have to wait for longer than necessary for the sum that I have assessed as being an appropriate award for its first instance costs. Therefore, I shall order the Opponent to pay the sum of £1,000 in any event, in accordance with the usual timescale. The only remaining question will then be whether there is any basis for reinstating the Hearing Officer's full award or a sum in between the two. I should emphasise that I do not see any basis for doing so and therefore, while I am permitting the Applicant to make any submissions to that effect, this should not be taken as encouragement to do so.
72. Turning to the costs of the appeal, the Opponent must deal with its own costs in relation to the substantive appeal, having lost on all grounds. Mr Stacey urged me to make no award of costs in favour of the Applicant, despite its success, because it did not participate in the appeal process. It would be surprising if the Applicant's representatives on the record did not at least consider and pass on the Notice of

appeal to their clients. However, I have absolutely no evidence about this, and in particular I do not know whether the Applicant was charged for such a service. It would be unfair to order the Opponent to make a contribution to costs that had not in fact been incurred, and there is a significant risk of so doing if I make an order in favour of the Applicant.

73. Although the Opponent has been successful (on a provisional basis) in reducing the first instance costs award, I do not think that this justifies any award of costs in its favour, given that the relevant ground of appeal was only raised in the run-up to the hearing.

74. The result is that I will make no order as to the appeal costs.

Conclusion

75. I summarise the outcome of this appeal as follows:

- (1) I dismiss the appeal in relation to the substantive Decision. Accordingly, the opposition has failed.
- (2) I have reached a provisional conclusion that the Hearing Officer's order for costs should be set aside and substituted with an order that the Opponent must pay the Applicant £1,000 as a contribution towards its costs at first instance.
- (3) The Opponent must pay the Applicant the sum of £1,000 within 14 days after being notified of this decision.
- (4) If the Applicant wishes to challenge my provisional conclusion under point (2) above, it must give me written notice of such a challenge (sent via the Treasury Solicitor's Department), with reasons, within 21 days after being notified of this decision, and must provide a copy to the Opponent.
- (5) In the absence of any challenge under point (4) above, the said provisional conclusion will become final.



ANNA CARBONI

9th February 2009

The Opponent (Appellant) was represented by Mr James Stacey of Baron & Warren.
The Applicant (Respondent) was not represented.