

**O-349-09**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2432358  
BY MEDIO SYSTEMS INC.  
TO REGISTER THE TRADE MARK  
MEDIO  
IN CLASSES 35 & 42**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 96822 BY  
MEDION AG**

## BACKGROUND

1) On 14 September 2005 Medio Systems Inc. applied to register the trade mark MEDIO. This was a conversion of Community Trade mark 4641726 which had an effective date of 14 September 2005. After examination, the trade mark was accepted and subsequently published for opposition purposes on 18 January 2008 in Trade Marks Journal No.6719 for the following services:

Class 35: Advertising, marketing and promotional services; rental of advertising space and time; promoting the goods and services of others through search engine referral traffic analysis and reporting; dissemination of advertising for others via wireless mobile devices.

Class 42: Computer services, namely, providing software interfaces and applications available over a network in order to create a personalized on-line information service; extraction and retrieval of information and data mining by means of global computer networks and wireless networks; creating indexes of information, indexes of web sites and indexes of other information sources in connection with global computer networks and wireless networks; providing information from searchable indexes and databases of information, including text, electronic documents, databases, graphics and audio visual information, by means of global computer information networks and mobile wireless networks.

2) On 11 April 2008 Medion AG (the opponent) filed a notice of opposition. In summary the opposition is based upon the following:

a) The opponent is the proprietor of the following trade mark which is registered for a range of goods and services. However, it is only relying upon those in Classes 9, 38 & 42 in this opposition.

Mark	Number	Filing date / Registration date	Class	Specification
MEDION	M714040	22.02.99 / 11.08.00 International Priority date Claimed 29.08.98 based on German TM	9	<b>Communication apparatus and entertainment apparatus and parts thereof, included in this class, especially radios, car radios, record players, cassette recorders, head phones, video cameras and recorders, record players for digital compact disks; magnetic tape recorders, apparatus for the recording, transmitting, amplifying and reproduction of sound and image, loudspeakers, television sets, video games (for connection to a television), video cassettes (pre-recorded and blank), disks, audio cassettes (pre-recorded and blank), antennas, radio recorders, projectors, faders, microphones, apparatus for editing images, dictating machines, walkie-talkies, monitoring apparatus and monitoring devices and operational systems made thereof; electric and electronic calculators, inclusive of pocket calculators; electronic</b>

			<p><b>data processing machines, computers, computer peripheral equipment and parts thereof, included in this class, inclusive of computers for games, computers for home use, notebooks, monitors, active speakers, data input-output apparatus (inclusive of keyboard, joystick, game pad and mouse), scanners, printers, printer interface converters, terminals, interface cards, diskettes, CD-ROM, fixed disks, drives of all kinds (external and internal), storage modules, storage systems (external and internal), essentially existing of storage media, inclusive of optical, digital or magnetic storage media and PC plug-in-cards as well as appropriate writing and reading units, CD burners, main boards, plug-in components, modems, ISDN-cards, sound cards, graphic cards, digital cameras, programs stored on data media; game software; photocopying apparatus, tripods, flashlight apparatus and flashlamps, photographic exposure meters, film cameras, film projection apparatus, diapositives, slide frames; electric and electronic apparatus and instruments as well as parts thereof for the use in telecommunication and communication engineering, included in this class, including ISDN installations, telephones sets, digital telephone sets, wireless telephone sets, mobile telephones, display radio receivers, telephone earpieces, telephone answering machines, telefax, press-to-talk intercom systems, hand-free sets, aforesaid goods inclusive of appropriate peripheral equipment, included in this class; transmitting and receiving stations for the communication engineering and data communication, inclusive of antennas, parabolic antennas, receivers, decoders, modems, converters, microwave converters, amplifiers, wave guides, antenna connecting sockets, wide band communication systems; alarm devices and systems, included in this class; glasses (optic), spectacle cases; electrical household utensils, included in this class, especially sheet welding and soldering equipment, scales and kitchen scales, curling tongs, electric irons; thermometers, weather stations; bicycle computers; cables, cable clamps, multiple connectors, male plugs, batteries, accumulators and power supplies, battery chargers, electronic games, electric power supplies for all goods included in this class.</b></p>
		38	<p>Processing and forwarding of electronically transmitted data, operating of networks for the transfer of data, images and voice, offline and online multimedia services, cable (fixed) and wireless (mobile) radio services as well as telematic services; value-added services in using networks, essentially data bank services, namely collecting, processing, activating, storing and requesting of data information as well as information services, order services and</p>

				voice services against payment, namely telephony, voice storing services, forwarding for short messages, inquiries, conference calls; <b>operating of a call centre</b> , all aforesaid services included in this class.
			42	<b>Design, development and maintenance of programs for operating of networks of class 38 and goods of class 9;</b> technical consulting in projecting of apparatus, installations and units for network services; technical consulting in projecting, inclusive of planning and developing of networks of class 38; rental of the goods named in class 9 and their accessories (included in this class).

\* **Statement of grounds claims use in UK only on items in bold.**

b) The opponent states that the goods and services in Classes 9, 38 and 42 are identical and/or similar and that the marks are similar.

e) The opponent claims to have a reputation in its marks in the UK. The mark in suit is said to offend Section 5(2)(b) of the Trade Marks Act 1994.

3) On 15 July 2008 the applicant filed a counterstatement denying the opponent's contentions and putting the opponent to proof of use on the items in bold.

4) Both sides filed evidence in these proceedings which to the extent that I consider it necessary I have summarised below. The matter came to be heard on 15 October 2009 when the opponent was represented by Mr Gymer of Messrs Paige Hargrave and the applicant was represented by Mr Bartlett of Messrs Beck Greener.

#### **OPONENT'S EVIDENCE**

5) The opponent filed a witness statement, dated 24 October 2008, by Christian Eigen the Chief Financial Officer of the opponent company. He states that he has worked for the opponent company for over ten years and has access to its records. He provides the following exhibits which I have summarised excluding items which are not clearly dated or where their origin is uncertain. All the advertisements summarised have the opponent's mark clearly shown on the item.

- CE1: This consists of an invoice to *Somerfield* dated 1 April 2005 for 2000 laptops or notebooks with Medion home cinema software. Also included are a number of advertisements which include Medion branded laptops. Some of these are not dated. Those that are include *Woolworths* (November 2005, April 2006 & March 2008), *Staples* (March 2004 & 1 July 2004), *Makro* (March 2004) & *Sainsburys* (8 August 2008). These advertisements were placed in *The Sun*, *Daily Mail* and *Daily Express* newspapers as well as being on flyers.
- CE2 & 3: This consists of a range of advertisements for desktop computer bundles (PC, monitor, keyboard, mouse & printer). These include *Woolworths* (October 2005 & September 2006), *Toys R Us* (July 2005), *Aldi* (April 2004, November 2004, December

2005, March 2005, February 2006, March 2006, October 2006 & March 2007), & *Makro* (January 2004). These advertisements were placed in *The Sun*, *Daily Mail* and *Daily Mirror* newspapers as well as being on flyers.

- CE4: This consists of a range of advertisements for pocket PCs/GPS navigation systems. These include *Halfords* (August 2004 & December 2004) and *Aldi* (only dated November). These advertisements were placed in *The Sun* and *Daily Mirror* newspapers as well as being on a flyer.
- CE5: This consists of an invoice to *Somerfield* for 664 digital cameras dated April 2005 and an advertisement in *The Sun* dated April 2008 by *Morrisons*.
- CE6: This consists of advertisements for printers, PDAs and navigation systems by *Aldi* (June 2005, March 2006 & September 2008), *Halfords* (January 2005 & November 2005), *Makro* (only dated June) & *Toys R Us* (November 2005 & November 2006). These advertisements were placed in *The Sun*, *Daily Mail* and *Daily Mirror* newspapers as well as being on a flyer. Also included were invoices to *Somerfield*, dated September 2005, for 1,800 PDAs and July 2005 for 1560 PDAs and Navigation systems; to *Dixons*, dated December 2006, for PDA/navigation systems, and to *Tesco*, dated April 2004, for 1050 PDA/Navigation systems.
- CE7: An advertisement in *The Sun*, dated December 2005, for a paper shredder.
- CE8: An advertisement in the *Daily Mirror*, dated December 2004, by *Aldi* with regard to a Bluetooth headset.
- CE9: This consists of an invoice, dated October 2005, to *Somerfield* for 3,510 MP3 players and an advertisement in the *Daily Mirror*, dated April 2005, for MP3 players placed by *Toys R Us*.
- CE10: This consists of an advertisement in the *Daily Mirror* by *Aldi* for a cordless telephone with answering machine, dated November 2003.
- CE12: An advertisement in the *Daily Mirror* by *Aldi* for a DVD burner, dated June 2004.
- CE13: copies from the opponent's website showing details of the opponent's service hotline, contactable by phone, fax, letter or by e-mail. This offers to answer questions regarding the opponent's products.

6) Mr Eigen states that turnover in the mark MEDION during the period 2003-2007 in the UK is approximately £10 million annually. He states that the call centre referred to at exhibit CE13 has handled over 200,000 calls per annum and an average of 70,000 items of correspondence per annum. All this work is handled by 35 members of staff.

## **APPLICANT'S EVIDENCE**

7) The applicant filed a witness statement, dated 25 March 2009, by Tom Schill the Vice President Network Operations and Finance. He states:

“5. Medio is a startup company that provides private label searching capability for mobile devices. Medio’s service offers telecommunications companies a highly sophisticated searching capability from a search box that appears on mobile devices. Unlike the larger search companies such as Google and Yahoo, which provide searching capabilities to their partners under their well-known and featured brands, Medio’s back end search offering is not branded with the MEDIO name. Rather, Medio is able to provide its telecommunications company clients with this searching capability under the telecommunications company’s own brand name.

6. Medio partners with telecommunications companies such as Verizon, T-Mobile and Telus to provide the broadest range of content available for mobile consumption, including downloads such as ringtones, music and games. It also features news, weather, local business listings, flight status, general mobile web results, and on-device content. In addition, Medio’s mobile search services integrate general web results from other Internet search providers for a unified search experience for the user.

7. Medio’s brand is not a consumer brand. Medio directs its branding effort to the mobile industry since telecommunications companies that service mobile devices are its customers. Medio attends the Mobile World Congress in Barcelona each year but does no other marketing except to its customer group of telecommunications companies.”

8) At exhibit TS1 Mr Schill provides copies from the applicant’s website which corroborates his comments above. He states that his company’s business in Europe is conducted with T-Mobile and has earned his company over one million Euros in 2008. All the revenues came through T-Mobile UK and approximately 50% were attributable to the UK market. He states that there has been no confusion between the parties and given what he states are the differences in their fields of business he sees no possibility of confusion.

## **OPPONENT'S EVIDENCE IN REPLY**

9) The opponent filed a witness statement, dated 25 June 2009, by Keith F Gymer the opponent’s Trade Mark Attorney. He states that the instant application is a partial conversion of a CTM application. The CTM in respect of Classes 35 and 42 was rejected on absolute grounds as MEDIO is a Spanish word which means “something which is suitable for purpose”. The Class 9 goods were opposed by the instant opponent and OHIM upheld the opposition. Mr Gymer provides a copy of the OHIM decision at exhibit KFG3. At exhibit KFG4 he provides copies of an internet search for MEDIO which brought very few hits and so hits for MEDION were also offered.

10) That concludes my summary of the evidence filed.

## DECISION

11) The opposition is based solely upon section 5(2)(b) which reads:

“5.-(2) A trade mark shall not be registered if because -

(a) ....

(b) it is similar to an earlier 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.”

12) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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,”

13) In these proceedings the opponent is relying upon its earlier mark registered on 11 August 2000 and is therefore subject to The Trade Marks (Proof of Use, etc) Regulations 2004, paragraph six of which states:

“6A Raising of relative grounds in opposition proceedings in cases of non-use.

(1) This section applies where-

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United

kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

14) In the instant case the publication date of the application was 18 January 2008. Therefore, the relevant period for the proof of use is 19 January 2003-18 January 2008. I must first consider whether the opponent has fulfilled the requirement to show that genuine use of the marks has been made. The guiding principles to be applied in determining whether there has been genuine use of a mark are *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5. From these cases I derive the following main points:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);

- the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);

- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);

- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);

- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);



- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

15) I must also keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

16) The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant.

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

17) The opponent has provided some invoices but mostly advertisements from National newspapers to support their claim to use. Although this was criticised by the applicant as failing to provide context into the extent of market penetration it is acceptable for the purposes of showing that the mark was in use. The advertisements were placed by large organisations such as *Argos*, *Woolworth*, *Sainsbury*, *Somerfield*, *Aldi* and *Makro*, and were run in newspapers such as *The Sun*, *Daily Mail*, *Daily Mirror* and *Daily Express*. Taking into account all the relevant factors I consider that the opponent has shown use of its MEDION mark, within the relevant period, on the following items:

Class 9: Digital cameras; MP3 player; DVD burner; telephone and answering machine; Bluetooth headset; laptops, PC, monitor, keyboard, mouse, printer, GPS navigation systems, paper shredder, entertainment software.

Class 38: Operating of a call centre.

18) This was accepted by the applicant, although Mr Bartlett considered the use on all Class 9 goods to be related to articles “all for home use”. I do not accept this contention. Clearly, the advertisements are aimed at the general public, but I cannot discount the fact that entrepreneurs also read newspapers. Small and medium size enterprises are, in my view, quite likely to purchase items such as laptops at wherever is convenient and offers the best price. It was accepted at the hearing that outlets such as *Makro* are aimed at business users and one has to apply for a card in order to shop in their outlets. The opponent’s products maybe primarily purchased by the general public for use at home, but I cannot regard this as a limitation on the opponent’s specification as its products are likely to be purchased by small and medium sized enterprises.

19) I must now decide how the goods and services should be described. I take note of the guidance mentioned earlier in this decision and come to the following specification:

Class 9:	Digital cameras; Apparatus for the recording, amplifying and reproduction of sound and image; telephone sets and answering machines; hands free sets; Computers, computer peripheral equipment and parts thereof, included in this class, inclusive of computers for games, computers for home use, notebooks, monitors, active speakers, data input-output apparatus (inclusive of keyboard, joystick, game pad and mouse), scanners, printers; programs stored on data media; software for home cinemas; GPS navigation systems.
Class 38:	Operating of a call centre.

20) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law 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] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs)(OHIM)* C-334/05 P (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel*

*B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, 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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*

21) In essence the test under Section 5(2) is whether there are similarities in marks and goods and services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods and services, the category of goods and services in question and how they are marketed. Furthermore, I must compare the mark applied for and the opponent's mark on the basis of their inherent characteristics, assuming normal and fair use of the marks opponent's specification set out in paragraph 19 above and the applicant's specification as applied for. .

22) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“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. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. 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.”

23) The opponent has shown some use as outlined earlier in this decision. It also states in evidence that the UK turnover in the mark MEDION for the five year period 2003-2007 was £10 million annually. There is no detail as to precisely what the mark has been used on, although the implication is that it is on Class 9 goods. However, if the opponent wishes to rely upon reputation it is not enough to imply what the mark has been used on, it must be stated. Even if I were to accept that the whole of the turnover related to only those goods on which proof of use has been provided the average annual turnover figure of approximately £10 million is likely to be very small given the market in the UK for such goods. To my mind the opponent's mark is inherently distinctive but this has not been enhanced to any material extent by use. The average consumer for the opponent's products must be the average citizen of the UK including businesses.

24) I shall first consider the specifications of both parties. Following the hearing the applicant filed a TM21 restricting its specification, this change has been incorporated into the specification for the applicant which is shown below along with the opponent's specification. The opponent is aware of the amendment but declined to withdraw its opposition.

Applicant's specification	Opponent's specification
<p>Class 35: Advertising, marketing and promotional services; rental of advertising space and time; promoting the goods and services of others through search engine referral traffic analysis and reporting; dissemination of advertising for others via wireless mobile devices; all the aforesaid services being for business to business use.</p>	<p>Class 9: Digital cameras; apparatus for the recording, amplifying and reproduction of sound and image; telephone sets and answering machines; hands free sets; computers, computer peripheral equipment and parts thereof, included in this class, inclusive of computers for games, computers for home use, notebooks, monitors, active speakers, data input-output apparatus (inclusive of keyboard, joystick, game pad and mouse), scanners, printers. programs stored on data media; software for home cinemas; gps navigation systems.</p>
<p>Class 42: Computer services, namely, providing software interfaces and applications available over a network in order to create a personalized on-line information service; extraction and retrieval of information and data mining by means of global computer networks and wireless networks; creating indexes of information, indexes of web sites and indexes of other information sources in connection with global computer networks and wireless networks; providing information from searchable indexes and databases of information, including text, electronic documents, databases, graphics and audio visual information, by means of global computer information networks and mobile wireless networks; all the aforesaid services being for business to business use.</p>	<p>Class 38: Operating of a call centre.</p>

25) In carrying out the comparison I will take into account *British Sugar Plc v James Robertson & Sons Ltd* (TREAT) RPC 281. This identified the following as elements to be considered, uses, users, nature, trade channels, where the items are to be found and whether they are in competition. I must also consider the issue of whether the goods and services are complementary. In Case T-420/03 – *El Corte Ingles v OHIM- Abril Sanchez and Ricote Sauger* (Boomerang TV) the Court of First Instance commented at paragraph 96:

“96.....Goods or services which are complementary are those where there is a close connection between them, in the sense that one is indispensable or important for the use of

the other in such a way that customers may think that the responsibility for the production of those goods or provision of those services lies with the same undertaking (Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, and judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM – Gomez Frias* (euroMASTER), not published in the ECR, paragraph 35).”

26) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

27) At the hearing Mr Gymer contended that the Class 35 services of the applicant involved advertising which would appear on software and websites as all websites carried advertising. He also contended that his client’s registration for “call centres” was similar as such centres used search engines and disseminated information via telephones. I do not accept either of these contentions. Software does not have to carry advertising, indeed huge swathes of software written for clients are purely for internal use and carry no advertising. To my mind none of the opponent’s goods or services are, in any degree, similar to the applicant’s Class 35 services. Further, I do not believe that the average consumer would find these services complementary.

28) I now turn to consider the applicant’s Class 42 services. At the hearing Mr Bartlett stated that the applicant’s specification in Class 42 was difficult to understand, and that it was to explain precisely what the specification means in practice that they had submitted the evidence of Mr Schill. Mr Bartlett contended that armed with the information from Mr Schill the comparison between “the limited range of consumer electronics that we see here today and the services for which we are trying to claim protection for, the gulf is vast”. I have already determined that the opponent’s products are not restricted to “home use” and that businesses, particularly small and medium sized enterprises, are likely to purchase their products. Mr Schill described his company as providing a search engine such as Google or Yahoo, but currently this is being provided to telephone network providers such as T-Mobile and Verizon as an own brand product. However, the applicant’s specification is not limited in any way such that it could not offer these services to businesses in a manner similar to Google or Yahoo under the mark in suit. The net result would be that despite limiting its services by the words “all the aforesaid services being for business to business use” the ultimate end user, the average consumer including businesses would see the applicant’s mark upon the search engine, just as they do now with Google and Yahoo.

29) I have already determined the goods of the opponent will be used by both the general public and businesses. Although the services of the applicant are to businesses only it is clear that the end users will be the same, businesses and the general public. The uses of the opponent’s goods are varied and clearly not all of them are, currently at least, offered with an internet connection such that they could make use of a search engine. The nature of the goods and services are quite different. However, many of the trade channels will be the same. As the opponent has shown, it

offers its own software and that of others as part of packages with its products. A search engine is a piece of software or website, and such items as Google and Yahoo are currently remotely accessible via computers or other devices with Internet capability. The opponent contended that its “software for home cinema” in Class 9 is potentially in competition with the applicant’s services. I do not accept this contention. To my mind the goods of the opponent are not in competition with the services of the applicant. A call centre is not the same as the information or service that it provides.

30) It is clear that many of the goods of the opponent have internet capability and if recent history is anything to go by more and more of their goods will be upgraded and amalgamated so that they have such capability. Ten years ago a mobile phone which takes pictures, has internet capability and plays music would have been a source of wonder. There is undoubtedly a close connection between a search engine and computers, phones etc. The applicant’s search engine requires a user to have an internet connection for it to be used and so the opponent’s goods are important for the use of the applicant’s search engine. I believe that the average consumer would view the goods of the opponent and the services of the applicant as being complementary under the test set out at paragraph 25 above.

31) I now turn to consider the marks of the two parties, which are MEDIO and MEDION. Mr Bartlett contended:

“The marks are different, visually, phonetically and conceptually. The presence of the final letter “N” in MEDION gives the mark a complete and saturated look and feel which the more “open” MEDIO mark does not possess. The word Medio has a Latinate character which “Medion” does not possess.”

32) I do not accept these contentions. To my mind the marks are very similar visually as the first five letters of the opponent’s mark are made up of the mark in suit. The only difference is the presence of the letter “N” at the end of the opponent’s mark. I accept that the marks are relatively short but this does provide a high degree of visual similarity. I am not sure what is meant by a “saturated look”. It is clear that there are a number of ways in which these marks can be pronounced, none of which can be said to be correct as neither is a proper word both being invented marks. The first three letters can be pronounced either as in “media” or “medical”. Obviously the presence of the letter “N” at the end of the opponent’s mark creates some difference, however overall the marks are aurally very similar. Neither mark has any conceptual meaning. I assume that the “Latinate” feel of the applicant’s mark is a reference to the long held belief, of some, in this country that when in Latin countries all one had to do was to add a letter “O” to the end of words to make them understood. I do not accept that this belief is still widespread.

33) Taking account of all of the above when considering the marks globally, I believe that in regard to the class 42 services there is a likelihood of consumers being confused into believing that the services 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 succeeds in respect of the services in Class 42. However, with regard to the class 35 services, these are so far removed from the goods and services of the opponent that there is no likelihood of consumers



being confused into believing that the services 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 in respect of the services in Class 35.

### **COSTS**

34) Both parties have achieved a measure of success. I therefore decline to make a costs award.

**Dated this 04 day of November 2009**

**G W Salthouse  
For the Registrar  
The Comptroller-General**