

O-013-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2591397
BY
BALFOUR BEATTY PLC
TO REGISTER THE TRADE MARK**



IN CLASSES 35 AND 42

AND

**THE OPPOSITION THERETO
UNDER NO 102984
BY
PE INTERNATIONAL AG**

Background and pleadings

1. On 17 August 2011, Balfour Beatty plc (“the applicant”) applied for the trade mark:



The application was published in the *Trade Marks Journal* on 11 November 2011, following which it was opposed by PE International AG (“the opponent”).

2. The following services are applied for:

Class 35: *Procurement of goods and services for others; business project management.*

Class 42: *Consultancy, information and advisory services relating to energy management and energy efficiency.*

3. The opposition is brought under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) which states:

“(2) A trade mark shall not be registered if because –

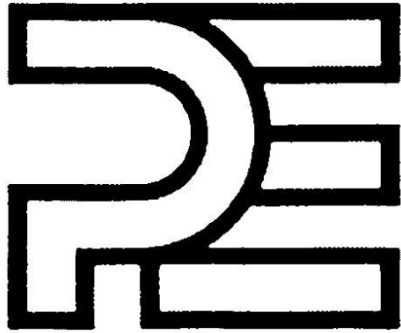
....

(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 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.”

4. The ground is based upon all the goods and services of the opponent’s earlier international registration designating the Community:

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Class 09: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus.

Class 35: Advertising; business management; business administration; office functions.

Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

5. The international registration has a German priority date of 13 February 2007 and a designation date of 9 August 2007. The database of the Office for Harmonisation in the Internal Market (“OHIM”) indicates that the period for opposition commenced on 29 April 2008 and that no opposition was received; hence the international registration was protected from 29 July 2008. As the registration had not been protected for five years or more at the date of publication of the application, there is no requirement for proof of use of the earlier international registration (“the earlier mark”) ¹.

6. The opponent states that the parties’ services are identical or similar and that the marks are similar. The combination of these factors will, states the opponent, lead to a likelihood of confusion between the marks, including a likelihood of association.

¹ See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations) 2004 (SI 2004/946) which came into force on 5th May 2004.

7. The applicant filed a counterstatement in which it denies that the marks are similar and denies that there is a likelihood of confusion. Neither side filed evidence. Both sides indicated that they were content for a decision to be made from the papers. The applicant filed submissions in lieu of a hearing.

Decision

8. The leading authorities which guide me in relation to section 5(2)(b) of the Act are from the Court of Justice of the European Union („CJEU’): *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, *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 for 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) 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*

f) 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*.

(g) 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*,

(h) 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*,

(i) 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*,

(j) 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*,

(k) 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*,

(l) 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*.

Comparison of services

9. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*. where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

„Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if 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 those goods lies with the same undertaking...”

10. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

11. If goods or services fall within the ambit of terms within the competing specification, they are considered to be identical, as stated by the General Court (“GC”) in *Gérard Meric v OHIM*, case T-133/05.

12. In *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 Jacob J held that:

“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.”

13. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

14. Both sides’ specifications cover classes 35 and 42. The opponent’s class 35 specification includes the very broad term *business management*. The applicant accepts in its written submissions that its term *business project management* is encompassed by the opponent’s term *business management* and that the services are identical. The other services in the application are also business-to-business services: *procurement of goods and services for others*, which is the purchase or obtaining of supplies, equipment etc for a third party. This appears also to be a subset of business management services; a business which avails itself of business management services from a third party provider hands over the running of the business to the party supplying the business management service, which includes project management and procurement of supplies and equipment. These services are therefore identical.

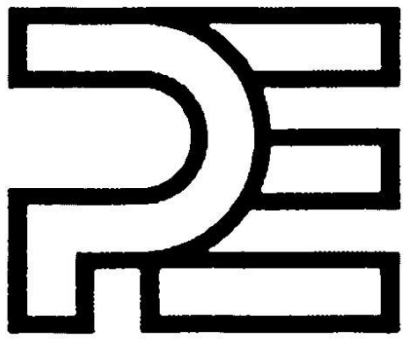

15. In class 42, the applicant also accepts in its written submissions that the opponent's term *scientific and technological services and research and design thereto; industrial analysis and research services* covers its own services in Class 42 and that they are therefore identical.

Average consumer and the purchasing process

16. The average consumer is reasonably well informed and reasonably circumspect and observant, but his level of attention is likely to vary according to the category of goods or services. The services of both parties are provided to organisations rather than to the general public; hence the average consumer will be organisations (commercial, academic or governmental). Business project management, procurement, scientific and industrial services will be carefully chosen by the average consumer, after close analysis such as a tendering process. The purchasing choice will be predominately visual, for example, via the perusal of advertisements, websites, literature, testimonials and written proposals, but I do not ignore the potential for aural use of the marks during the purchasing process, such as in discussions and personal recommendations.

Comparison of trade marks

17. The marks to be compared are:

Opponent's mark	Applicant's mark
	

18. The authorities direct that, in making a comparison between the marks, I must have regard to each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details. Nothing turns upon the colour aspect of the application because neither mark is limited to colour (the background in the application is necessary

to reveal the white letter 'p')². The application consists of the lower case letters „pe’. The earlier mark is less clearly the letters PE, with the first element resembling a question mark or a capital P, overlaying three bars which are reminiscent of the letter E. I think, realistically, that because both of the elements resemble capital letters, the earlier mark will be interpreted as the heavily stylised letters PE. The distinctive character of both the earlier mark and the application resides in the particular presentation of the letters in each mark. No single letter is dominant in either mark.

19. I am unaware that the letters PE/pe have any meaning, and none has been drawn to my attention by the parties. Conceptually, therefore, the marks are neutral. The applicant submits that an aural comparison between the marks is irrelevant:

“Frankly, we do not know how the picture marks would be pronounced as their oral descriptions would vary from person to person. However, it is facile to say they are both “PE” marks and would be pronounced identically, as that would make all stylisation, however great, irrelevant.”

As I have already said, I consider that the marks would be interpreted as PE/pe which means that they can be referenced orally. They are phonetically identical. However, as the applicant points out, there is a substantial stylisation to the graphic make-up of the marks. They are very different to look at. There is symmetry in the centre of the applicant’s mark, to which the eye is naturally drawn, in the back-to-back curves of the p and the e. There is nothing comparable in the earlier mark. The bold horizontal bars of the earlier mark are entirely absent from the application. The downstroke of the p in the application is present but it is broken in the P in the earlier mark. Visually, the marks are not similar.

20. A comparison between the marks gives a disparate set of results: conceptual neutrality, aural identity and visual dissimilarity.

Distinctiveness of the earlier mark

21. It is necessary to consider the distinctive character of the opponent’s mark because the more distinctive it is, either by inherent nature or by use (nurture) the greater the likelihood of confusion³. The distinctive character of a trade mark must be assessed by reference to the goods or services in respect of which registration is sought and by reference to the way it is perceived by the relevant

² *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch).

³ *Sabel BV v Puma AG* [1998] RPC 199.

public⁴. There is no evidence of use, so I have only the inherent position to consider. The applicant submits:

“The earlier mark has a high degree of inherent distinctiveness⁵ insofar as it consists of a heavily stylised mark. However, this high degree of distinctiveness only applies to the particular graphical representation. Insofar as the opponent claims any rights in the letters PE simpliciter (and the applicant strongly denies that the mark can give rights in these letters) there can only be an extremely low level of distinctiveness attached to the mark.”

22. The applicant also submits that in the context of energy services, the significance of the P and E is that companies providing such services are likely to use these letters as they are the initials of words such as environment, efficiency, energy and power. This is highly speculative and has no bearing upon the inherent distinctiveness of the earlier mark in the form in which it is registered. The applicant also makes reference to the previous practice of the UK Intellectual Property Office to refuse registration to two-letter trade marks. That approach has been overtaken by caselaw from the European Courts *BORCO-Marken-Import Matthiesen GmbH & Co KG v OHIM* (GC) Case T-23/07:

“43 Not only is it clear from Article 4 of Regulation No 40/94 that Community trade marks may consist of letters, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings (E, paragraph 38; to that effect, see also Case T-441/05 *IVG Immobilien v OHIM* (I) [2007] ECR II-1937, paragraph 47), registration of a sign as a trade mark is not conditional upon a finding of a specific level of creativity or artistic imaginativeness on the part of the applicant for the trade mark (Case C-329/02 *P SAT.1 v OHIM* [2004] ECR I-8317, paragraph 41), but only upon the ability of the sign to distinguish the goods of the applicant from goods offered by competitors (Case T-79/00 *Rewe-Zentral v OHIM* (LITE) [2002] ECR II-705, paragraph 30). As it is, however, the Board of Appeal did not carry out an examination, based on the facts, of the sign at issue in that regard.

If single letter marks are not without capacity to distinguish then, *a fortiori*, the same must be so for two letter marks (all other things being equal). The particular stylisation of the earlier mark gives it a reasonably high level of distinctive character. This is different to finding that the letters PE have a reasonably high level of distinctive character. The level of distinctiveness of the earlier mark is derived from its particular graphic configuration.

⁴ *Rewe Zentral AG v OHIM* (LITE) [2002] ETMR 91.

⁵ Although the applicant later submits that the earlier mark has only a low degree of inherent distinctiveness.

Likelihood of confusion

23. In deciding whether there is a likelihood of confusion between the marks, I must weigh the various factors I have identified. This includes keeping in mind the whole mark comparison and the principle of interdependency, whereby a lesser degree of similarity between the services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*).

24. I bear in mind the whole mark comparison. The lack of any single dominant and/or distinctive element within the marks militates against dissection of the marks; in any event, I should guard against dissecting the marks so as to distort the average consumer's perception of them. The average consumer perceives trade marks as wholes and rarely has the opportunity to compare marks side by side, relying instead upon the imperfect picture he has of them in his mind.

25. Although the parties' services are identical and the marks are aurally identical, there are two important factors in the global comparison which pull in the other direction. The first of these is the dissimilarity between the marks on a visual level. When considering goods, visual perception has a good deal of weight because goods are obviously tangible, visual objects⁶. Although services are intangible, visual perception still plays an important role in their selection (aural perception is also important in relation to some services, such as charities and telephone banking). In relation to the parties' services in the instant case, I have found that they will be chosen after a good deal of careful research and a high level of attentiveness will be paid to the purchasing decision. This is the second factor. A high level of attention will lessen a likelihood of imperfect recollection⁷. The level of attention during the purchasing process will be on a predominantly visual basis. It is therefore the visual perception of the marks which is the most important and, consequently, the result of the visual comparison between the marks carries the most weight in the overall

⁶ In *New Look Ltd v OHIM* Joined cases T-117/03 to T-119/03 and T-171/03, the GC stated: "49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs."

⁷ Although this is not always the case, as per the decisions of the GC in *Apple Computer, Inc v OHIM* Case T-328/05 and *Honda Motor Europe Ltd v OHIM* Case T-363/06. However, these decisions can be distinguished from the present case as they concerned marks which were either almost identical or were similar overall, neither of which is the case in the present proceedings.

appreciation of the likelihood of confusion between them. Although the earlier mark has a reasonably high level of distinctive character, this distinctiveness is derived chiefly from its visual representation. The marks are visually dissimilar, and in this case visual perception is weightier than aural and conceptual perceptions. It follows that the reasonably high distinctive character of the earlier mark, although a factor to be borne in mind in the global appreciation of the likelihood of confusion, is not strong enough to pull against the lack of visual similarity.

26. Despite the aural identity between the marks and the identity between the parties' services, there is no likelihood that the marks will be confused directly with one another because, on balance, there are more factors pointing away from confusion than towards it. I have also considered a scenario where, although the marks are not mistaken directly, there is a belief or an expectation upon the part of the average consumer that the services bearing the individual marks emanate from a single undertaking because there are points of similarity which lead to association. If the association between the marks causes the public wrongly to believe that the respective services come from the same or economically linked undertakings⁸, there is a likelihood of confusion. Although called „indirect confusion', it is, nevertheless, confusion within the meaning of section 5(2)(b) of the Act. Mr Iain Purvis QC, sitting as the appointed person in *L.A. Sugar Trade Mark* BL O/375/10, explained indirect confusion in the following terms:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: *“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”*.

27. Although aurally identical, there is nothing visually or conceptually similar between the parties' marks. There are no features of either mark, and no common element, which would lead the average consumer, paying a close level of attention in a visual purchasing process, to conclude that the later mark is another brand of belonging to the opponent (or vice versa). There is no likelihood of confusion, either directly or indirectly.

⁸ *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

Outcome

28. The opposition fails in relation to all the services of the application. The application is to be registered in full.

Costs

29. The applicant has been successful and is entitled to an award of costs, according to the published scale⁹, as follows:

Considering the notice of opposition and filing the counterstatement	£200
Filing written submissions	£300
Total	£500

30. I order PE International AG to pay Balfour Beatty plc the sum of £500. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10th day of January 2013

**Judi Pike
For the Registrar,
the Comptroller-General**

⁹ Tribunal Practice Notice 4/2007.