

O-088-15

TRADE MARKS ACT 1994


**IN THE MATTER OF REGISTRATION No. 2492084
STANDING IN THE NAME OF
IHBA GMBH**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.500244
BY SDI TECHNOLOGIES INC.**

BACKGROUND

1) The following trade mark is registered in the name of IHBA GmbH (hereinafter IHB):

Mark	Number	Filing & registration date	Class	Specification
	2492084	08.07.08 19.12.08	9	Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, 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; recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.
			37	Building construction; repair; installation services; installation, maintenance and repair of computer hardware; painting and decorating; cleaning services.

2) The mark was originally applied for and registered in the name of Aragonia Construction Limited but was then assigned to the current proprietor with the necessary assurances being provided on 12 August 2014.

3) By an application dated 18 December 2013 SDI Technologies Inc (hereinafter SDI) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary, that SDI is the registered proprietor of the following marks:

Mark	Number	Filing & registration date	Class	Specification
IHOME	CTM 4644274	21.09.05 23.08.06	9	Digital audio players/recorders, radios, clock radios, audio speakers, headphones.
			14	Clocks incorporating radios.
IHOME	CTM 5412771	24.10.06 25.03.13	9	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.
			11	Lighting apparatus.

- a) SDI contends that the marks, and goods and services, are identical or similar such that there is a likelihood of confusion and that the mark in suit therefore offends against section 5(2)(b) of the Act.
- b) Further, and in the alternative, SDI has a reputation in its marks in respect of clock radios, audio speakers and clocks incorporating radios. Because the marks are so similar, the average consumer will assume there is a link between the goods of SDI and the goods and services of IHB. The mark in suit therefore offends against section 5(3) of the Act.

4) IHB provided a counterstatement, dated 13 March 2014, in which it denies the above grounds. It does not seek proof of use of SDI’s marks and comments on the marks and goods thus:

“Visual perception of the trade mark is not less important than verbal. Trademark image perceived by the consumer in conjunction: as graphics as letters are of equal importance in the perception of the trademark. Earlier registered trademark does not contain graphic elements, lettering style is significantly different from the letters of the applicant’s trademark. Additional (but not secondary) word “Laboratory” has meaning in verbal perception applicant’s trademark. Thus earlier registered trademark and applicant’s trademark has differences sufficient to ensure that they were not considered similar.

Trademark UK00002492084 are used for services in the design of high-voltage power lines, while the SDI Technologies Inc uses the earlier registered trademark for the following goods and related services; digital audio players, radios, clock radios, audio speakers, headphones, clocks incorporating radios. Thereby applicant’s services are not linked to the goods and services for which the earlier registered trademark was registered, and there are no grounds for declaring invalid registration of trademark UK00002492084.”

5) Only SDI filed evidence. Both sides ask for an award of costs. Neither side wished to be heard; only SDI provided written submissions which I shall refer to in my decision as required.

EVIDENCE OF SDI

6) SDI provided three witness statements. The first, dated 6 June 2014, is by Rebecca Victoria Anderson SDI’s Trade Mark Attorney. She states that she undertook an internet search regarding the reputation of SDI’s earlier trade marks. She states that SDI has offices in North America and Asia but sells its products worldwide. The brand “iHome” was launched in 2005 and is one of its most successful brands. She states that the goods are sold in the UK via websites which include Tesco Direct. She provides the following exhibits:

- RVA1: A map of the world showing where iHome products are sold. These include a number of EU countries.
- RVA2: Print outs from various websites which stock iHome products. These include Amazon, Debenhams, Tesco Direct, and others. None of the print outs are dated and they show clock radios and speakers offered for sale.
- RVA3: Printouts from WayBack Machine which show iHome products being offered for sale from Amazon UK in November 2007 – March 2008. The goods shown are clock radios and speakers.
- RVA4: A print out from Amazon dated 2 June 2014 which shows a clock radio for sale. Reviews of this product are also shown and date back to 2007.
- RVA5: Copies of press articles regarding iHome products. These include articles in The Telegraph, PC Pro, TechDigest, Expert Review, TechAdvisor, Currys/PCworld, dated between June 2006 and December 2007 which mention iHome clock radios. There are further reviews which also mention clock radios and headphones but these are dated after the filing date of the mark in suit.
- RVA6: Various awards won by SDI's products all of which are dated after the filing date of the mark in suit.
- RVA7: Print outs from various social media which date from 2009, after the filing date of the mark in suit.

7) The second witness statement, dated 6 June 2014, is by Michael Gregory Foster, SDI's Trade Mark Attorney. He provides his opinion regarding the similarity of the marks and the following exhibits:

- MGF1: Examples of the word "Laboratory" being used in what Mr Foster describes as a "sophisticated / technical sense". There are two examples both dated in 2014. One for a company called The Future Laboratory which offers a marketing consultancy service. It mentions processes and methodologies it uses in typical marketing speak. The other is a series of "hits" for The Laboratory Spa and Health Club which mentions "creating an environment that offers a sanctuary from the stresses and strains".
- MGF2: Refusal letters from OHIM in respect of applications for the marks "The Digital Laboratory" and "Laboratory of Life" which state that these marks are devoid of distinctiveness. These are dated June 2004 and December 2013.
- MGF3: Details of various UK and CTM applications filed in 2008 which also have a device element similar to that in the mark in suit. Mr Foster states that this shows that the device element was typical of marks filed at the same time as the mark in suit and thus the device element should not be considered distinctive.
- MGF4: Copies of pages from the Registry work manual which refer to conjoining words.

8) The third witness statement, dated 3 September 2014, is by Marcos Zalta, the Vice President of Business and Legal Affairs at SDI, a position he has held since September 2006. He states that his company has sold audio speakers and clock radios bearing the iHome mark in the EU since 2007. He states that from 2007-2013 sales of iHome devices in the EU have exceeded £20 million with approximately £4 million being in the UK and the Republic of Ireland. He points out that the population of the Republic of Ireland is approximately 10% of that in the UK. He also estimates that during the period 2007 to 2013 approximately £1million was spent on promoting iHome products in the EU. He states that in the UK his company's products are sold by Tesco, Blacks, Sainsbury, HMV and Staples.

9) That concludes my review of the evidence. I now turn to the decision.

DECISION

13) I first turn to the ground of opposition based on 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 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.”

14) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

15) SDI is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. IHB did not put SDI to proof of use of its mark CTM 4644274.

16) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

- (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 visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) 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;
- (h) 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;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) 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;
- (k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

17) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

18) Both parties’ specifications cover a vast range of goods from the humble mouse mat which would be cheap and purchased with little thought through to scientific instruments which could be very expensive and complex and would only be purchased after considerable contemplation. The average consumer will be the general public including businesses. I will have to factor in the fact that the level of consideration given to each purchase will vary dependent upon price and that the purchasing process will include brochures, on-line and face to face discussions.

Comparison of goods and services

19) In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

20) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

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

21) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...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”.

22) In *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

23) Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

24) In its submissions SDI contended that:

“The applicant’s list of goods covers a wide range of goods which are the same as, or closely related to, the registrant’s goods. As regards the registrant’s services these could well be services related to the applicant’s goods. This would seem clear as regards “Installation, maintenance and repair of computer hardware” which is obviously closely related to the applicant’s goods, in particular “data processing equipment and computers”. The registrant’s services “repair; installation services” are very broad and are not qualified as being in any particular field and therefore could relate to, for example, repair and installation services for data processing equipment and computers, and for example repair services for the applicant’s other goods, and in general the registrant’s services could be seen as linked to the applicant’s goods.”

25) In its counterstatement IHB contended:

“Trademark UK00002492084 are used for services in the design of high-voltage power lines, while the SDI Technologies, Inc, uses the earlier registered trademark for the following goods and related services; digital audio players, radios, clock radios, audio speakers, headphones, clocks incorporating radios. Thereby applicant’s services are not linked to the goods and services for which the earlier registered trademark was registered, and there are no grounds for declaring invalid registration of Trademark UK00002492084.”

26) For ease of reference the specifications of both parties are reproduced below:

IHB's specification	SDI's specifications
In class 9: <i>Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, 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;</i> recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.	4644274 in class 9: Digital audio players/recorders, radios, clock radios, audio speakers, headphones. 5412771 in class 9: 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.
	5412771 in class 11: Lighting apparatus.
In class 37: Building construction; repair; installation services; installation, maintenance and repair of computer hardware; painting and decorating; cleaning services.	4644274 in class 14: Clocks incorporating radios.

27) I note that it has been held that the class heading does not cover all goods in the class. IHB has commented upon its use of goods in the design of high-voltage power lines. However, I note that the specification does not mention power lines and in any event the goods in class 9 can be used in a multitude of ways, but the goods themselves are identical. It is clear that the first part of IHB's class 9 specification (italized by me) is almost identical to the wording for which SDI's mark 5412771 is registered in class 9, and so these goods must be considered to be identical. To my mind, it is also obvious that the following goods in the two parties' class 9 specifications are identical or highly similar:

IHB	SDI
recorded media	apparatus for recording, transmission or reproduction of sound or images; recording discs;
computer hardware and firmware	data processing equipment and computers
computer software	data processing equipment and computers
software downloadable from the Internet	data processing equipment and computers
downloadable electronic publications	apparatus for recording, transmission or reproduction of sound or images
compact discs	recording discs;
digital music	apparatus for recording, transmission or reproduction of sound or images; recording discs;
telecommunications apparatus	apparatus for recording, transmission or reproduction of sound or images

computer games equipment adapted for use with an external display screen or monitor	data processing equipment and computers
mobile phone accessories	apparatus for recording, transmission or reproduction of sound or images;
Contact lenses, spectacles and sunglasses	Optical apparatus and instruments.

28) I am equally clear that there is nothing in any part of SDI's specifications that is remotely close to the following goods in class 9 "mouse mats; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use". These parts of IHB's class 9 specification must be regarded as being dissimilar to SDI's goods and services.

29) I now turn to consider the services of IHB in class 37. SDI is silent upon "Building construction; painting and decorating; cleaning services". I do not find this surprising as none of the goods for which SDI's marks are registered are remotely connected to these services. However, in relation to "installation, maintenance and repair of computer hardware" SDI contends that these services are complementary to its goods of "data processing equipment and computers". This is a view I fully support as IHB's services would be viewed by the average purchaser of a computer as being indispensable or important for the use of the other such that the responsibility for those services lies with the same undertaking as supplied the goods. These services must therefore be regarded as having a medium degree of similarity to the goods of SDI.

30) Lastly, I consider the remainder of IHB's class 37 services which are: "repair; installation services". SDI contends that these services are very broad and are not qualified such that they could easily apply to the technical goods that are shown in SDI's class 9, 11 or 14 specifications. Again I agree with the contention and find that these services must be regarded as having a medium degree of similarity to the goods of SDI.

Comparison of trade marks

31) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out”.

32) However the independent and distinctive element does not need to be identical. In *Bimbo SA v OHIM*, Case T-569/10, the General Court held that:

“96. According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60).”

33) In *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), Arnold J. stated that:

“47. In my view the principle which I have attempted to articulate in [45] above is capable of applying where the consumer perceives one of the constituent parts to have significance independently of the whole, but is mistaken as to that significance. Thus in *Bulova Accutron* the earlier trade mark was ACCURIST and the composite sign was BULOVA ACCUTRON. Stamp J. held that consumers familiar with the trade mark would be likely to be confused by the composite sign because they would perceive ACCUTRON to have significance independently of the whole and would confuse it with ACCURIST.

48. On that basis, I consider that the hearing officer failed correctly to apply *Medion v Thomson*. He failed to ask himself whether the average consumer would perceive UVEDA to have significance independently of DABUR UVEDA as a whole and whether that would lead to a likelihood of confusion.”

34) Further in *Annco, Inc. V OHIM*, Case T-385/09, the General Court considered an appeal against OHIM’s decision that there was no likelihood of confusion between ANN TAYLOR LOFT and LOFT (both for clothing and leather goods) and found that:

“48. In the present case, in the light of the global impression created by the signs at issue, their similarity was considered to be weak. Notwithstanding the identity of the goods at issue, the Court finds that, having regard to the existence of a weak similarity between the signs at issue, the target public, accustomed to the same clothing company using sub-brands that derive from the principal mark, will not be able to establish a connection between the signs ANN TAYLOR LOFT and LOFT, since the earlier mark does not include the ‘ann taylor’ element, which is, as noted in paragraph 37 above (see also paragraph 43 above), the most distinctive element in the mark applied for.

49 Moreover, even if it were accepted that the 'loft' element retained an independent, distinctive role in the mark applied for, the existence of a likelihood of confusion between the signs at issue could not for that reason be automatically deduced from that independent, distinctive role in that mark.

50 Indeed, the likelihood of confusion cannot be determined in the abstract, but must be assessed in the context of an overall analysis that takes into consideration, in particular, all of the relevant factors of the particular case (*SABEL*, paragraph 18 above, paragraph 22; see, also, Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37), such as the nature of the goods and services at issue, marketing methods, whether the public's level of attention is higher or lower and the habits of that public in the sector concerned. The examination of the factors relevant to this case, set out in paragraphs 45 to 48 above, do not reveal, *prima facie*, the existence of a likelihood of confusion between the signs at issue."


35) SDI contends:

"The applicant's trade mark registrations are for the mark IHOME in plain letters; the registrant's mark is for i-home laboratory and device. The dominant part of the registrant's mark is i-home; the device element is secondary and the word Laboratory, as well as being in smaller letters and appearing below the i-home element could be perceived as descriptive in respect of goods and services for which invalidation is sought for example goods and services of a quality for use in, or provided in a laboratory. It could also be seen as indicating goods / services which are "technical" or about which the Registrant would wish to convey such an impression. The fact that in one mark the letters are all in upper case and in the other they are in lower case is of no consequence – they are the same letters, and verbally they are the same. In effect the Registrant's mark reproduces the applicant's mark in its entirety – there is no logical way in which the applicant's mark could be divided up other than I+HOME. At least some of the applicant's usage is in the form iHome which uses a similar slanted "e" at the end of home as used by the registrant."

36) In its counterstatement IHB contends:

"Visual perception of the trademark is not less important than verbal. Trademark image perceived by the consumer in conjunction; as graphics as letters are of equal importance in the perception of the trademark. Earlier registered trademark does not contain graphic elements, lettering style is significantly different from the letters of the applicant's trademark. Additional (but not secondary) word "Laboratory" has meaning in verbal perception applicant's trademark. Thus earlier registered trademark and applicant's trademark has differences sufficient to ensure that they were not considered similar."

37) The trade marks to be compared are:

IHB's trade mark	SDI's trade mark
	IHOME

38) Clearly, IHB's mark includes a device element of an ellipse and the word "laboratory" which do not appear in SDI's mark. Further, the letter "i" is in a stylised font and much larger than the word "home". Clearly, the "Ihome" element is the most dominant element of IHB's mark and is highly similar if not identical to SDI's mark. Visually the marks have similarities which, to my mind, outweigh the differences. Aurally the similarity is even more marked as the only difference is the word "laboratory". Conceptually both marks suggest that the products in class 9 and computer services in class 37 are internet friendly and for use in the home and as such are highly similar in respect of such goods and services as the word "laboratory" will simply emphasise the technical nature of the goods. In respect of the building services in class 37 the word "laboratory" does not have a suggestive meaning. Conceptually when used on the building services in class 37 the marks do not create the same "picture" in the average consumers mind as internet compatibility is not something relevant to building services, and the word "laboratory" has no laudatory meaning. The mark is relatively neutral in respect of these services. In summary the marks are visually and aurally similar to a medium to high degree whilst conceptually they are highly similar in respect of class 9 goods but conceptually neutral in respect of class 37 services.

Distinctive character of the earlier trade mark

39) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in *Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

40) In relation to the goods for which it is registered in classes 9, 11 and 14 the earlier marks are only of average inherent distinctiveness as the mark IHOME could and most probably would be seen as alluding to the fact that the goods are internet friendly and are for use at home. The opponent has filed evidence of the use it has made of its earlier trade marks in the UK and the EU. The sales have not been put into context of the marketplace and relate only to clock radios and speakers. However, the sale totals are significant enough for me to regard the use made of its marks by the opponent to be sufficient, at the relevant date of July 2008, to enable it to benefit from enhanced distinctiveness through use in respect of its mark in relation to clock radios and speakers.

Likelihood of confusion

41) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer is a member of the general public, including businesses who will select the goods by both visual and aural means and who will pay a varying level of attention when doing so;
- The goods of the two parties are:

Identical	Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, 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.
Identical or very similar	Recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; mobile phone accessories; contact lenses, spectacles and sunglasses.
Moderately similar	Repair; installation services; installation, maintenance and repair of computer hardware.
Dissimilar	Class 9: mouse mats; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use. Class 37: Building construction; painting and decorating; cleaning services.

- In relation to the class 9 goods and the computer services in class 37 the competing trade marks are visually and aurally similar to a medium to high degree. They are conceptually highly similar.
- In relation to the class 37 building services the competing trade marks are visually and aurally similar to a medium to high degree. They are conceptually neutral.
- the opponent's earlier trade mark is possessed of a average degree of inherent distinctive character, and benefits from an enhanced distinctiveness by the use made of it only in relation to clock radios and speakers.

42) In view of the above and allowing for the concept of imperfect recollection, there is a likelihood of consumers being confused into believing that most of the goods in class 9 and some of the services in class 37 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 following:**

Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, 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; recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; mobile phone accessories; contact lenses, spectacles and sunglasses.

Class 37: Repair; installation services; installation, maintenance and repair of computer hardware.

43) However, when used upon the following goods and service there is no likelihood of consumers being confused into believing that the goods and 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 following:**

Class 9: mouse mats; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.

Class 37: Building construction; painting and decorating; cleaning services.

44) I now turn to the ground of opposition under Section 5(3) which reads:

“(3) A trade mark which-

- (a) 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.”

45) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L’Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

46) The onus is upon the opponent to prove that its earlier trade mark enjoys a reputation or public recognition and it needs to furnish the evidence to support this claim. To my mind the opponent has provided the evidence, see paragraphs 6 - 8 above, that its mark does enjoy such a reputation in respect of clock radios and audio speakers and so it clears the first hurdle.

47) Once the matter of reputation is settled an opponent must then show that the relevant customers would make a link between the two trade marks and how its trade mark would be affected by the registration of the later trade mark. In Case C-408/01, *Addidas-Salomon*, the CJEU held that:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

48) There is some debate as to whether the judgment of the CJEU in *L'Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L'Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited*¹ [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L'Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. However, the absence of due cause appears to be closely linked to the existence of unfair advantage. See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull*.

49) In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (CH) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

50) In *Aktieselskabet af 21. November 2001 v OHIM*, Case C-197/07P, the CJEU stated that:

“22. With regard to the appellant's argument concerning the standard of proof required of the existence of unfair advantage taken of the repute of the earlier mark, it must be noted that it is not necessary to demonstrate actual and present injury to an earlier mark; it is sufficient that evidence be produced enabling it to be concluded prima facie that there is a risk, which is not hypothetical, of unfair advantage or detriment in the future (see, by analogy, concerning the provisions of Article 4(4)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), Case C-252/07 Intel Corporation [2008] ECR I-0000, paragraph 38).

23. In the present case, it is clear that the Court of First Instance, in paragraph 67 of the judgment under appeal, properly established the existence of an unfair advantage within the meaning of Article 8(5) of Regulation No 40/94 in correctly considering that it had available to it evidence enabling it to conclude prima facie that there was a risk, which was not hypothetical, of unfair advantage in the future.”

51) I must consider the similarity of the opponent's clock radios and audio speakers to the goods and services applied for. SDI contended:

“28. The Proprietor's "digital music" is complementary to the Applicant's "Digital audio players, radios, clock radios, audio speakers, headphones", since the Applicant's goods would be essential for playing the Proprietor's digital music. Moreover, the Proprietor's recorded media, computer software and hardware are similar to the Applicant's goods, since they are not limited to a particular field, and therefore could be for use in relation to digital audio players, radios, clock radios, audio speakers and headphones. The Proprietor's goods are therefore complementary to the Applicant's goods.

29. Equally, the Proprietor's "telecommunications apparatus" are similar to "Digital audio players, radios, clock radios, audio speakers, headphones", since most modern telecommunications apparatus incorporate digital audio players, radios, clock radios and audio speakers, and can be used with headphones.

30. It should be noted that consumers are used to seeing a close connection between digital music, related software and telecommunications apparatus, and digital audio players, radios, clock radios, audio speakers and headphones. There are many large companies on the market place who produce all of these goods. For example, the well-known technology company Apple provides mobile telephones under the mark iPhone, MP3 players with built in radios under the mark iPod. and a platform for consumers to download and manage digital music under the mark iTunes.”

52) I do not accept all of the above contentions. The contention that because a mobile phone contains a speaker it is similar to a clock radio or an audio speaker is not one which to my mind holds water. The average car has speakers and a radio within it but this does not, in the mind of the average consumer make a link between the manufacturer of the car and the manufacturer of the radio or speakers. In my opinion, the following table sums up the position.

Similar	Class 9: cinematographic apparatus and instruments; recording discs; recorded media, compact discs; digital music; telecommunications apparatus; apparatus for recording, transmission or reproduction of sound or images. Class 37: repair; installation services.
Dissimilar	Class 9: Scientific, nautical, surveying, photographic, , optical, weighing, measuring, signalling, supervision, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; magnetic data carriers, automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus; computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use. Class 37: Building construction;; installation, maintenance and repair of computer hardware; painting and decorating; cleaning services.

53) I accept that similarity of services is not required under section 5(3) but it is one of the factors which I have to take into account in determining whether the average consumer will make a link between the marks of the two parties. I also found that the opponent’s marks have an average degree of inherent distinctiveness for all the goods and services for which it is registered and has an enhanced reputation through its use only in respect of clock radios and speakers. The competing trade marks are visually and aurally similar to a low to medium degree. They are conceptually highly similar. Adopting the composite approach advocated, the conclusions that I have set out above naturally lead me to the view that the average consumer will make the link between the marks in respect of only certain of the applicant’s goods and services. In respect of the following goods and services there is an advantage for the applicant to derive. **The opposition under Section 5(3) therefore succeeds in respect of:**

Class 9: cinematographic apparatus and instruments; recording discs; recorded media, compact discs; digital music; telecommunications apparatus; apparatus for recording, transmission or reproduction of sound or images.

Class 37: repair; installation services.

54) In respect of the following goods and services the average consumer will not make the link and so there is no advantage for the applicant to derive. **The opposition under Section 5(3) therefore fails in respect of:**

Class 9: Scientific, nautical, surveying, photographic, , optical, weighing, measuring, signalling, supervision, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; magnetic data carriers, automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus; computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.

Class 37: Building construction;; installation, maintenance and repair of computer hardware; painting and decorating; cleaning services.

CONCLUSION

55) The invalidity action under Sections 5(2)(b) and 5(3) was only partly successful. The following items will be removed from the registration:

Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, 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; recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; mobile phone accessories; contact lenses, spectacles and sunglasses.

Class 37: Repair; installation services; installation, maintenance and repair of computer hardware.

56) The registration will remain for the following goods and services:

Class 9: mouse mats; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.

Class 37: Building construction; painting and decorating; cleaning services.

COSTS

57) As SDI has been mostly successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Preparing evidence	£300
Preparing submissions	£600
TOTAL	£1,200

58) I order IHBA GmbH to pay the sum of £1,200 to SDI Technologies Inc. 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.

Dated this 24th day of February 2015

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