

O-234-17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3154919 BY
NAMIB BRANDS INVESTMENTS (PTY) LTD
TO REGISTER:**

Red

AS A TRADE MARK IN CLASS 9

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 407336 BY RED.COM, INC.**

BACKGROUND & PLEADINGS

1. On 15 March 2016 (claiming an International Convention priority date of 30 October 2015 from an earlier filing in Namibia), Namib Brand Investments (Pty) Ltd (“the applicant”) applied to register the trade mark **Red** for the goods shown in paragraph 9 below. The application was published for opposition purposes on 10 June 2016.

2. On 7 September 2016, the application was opposed in full by Red. Com, Inc. (“the opponent”) under sections 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent is the owner of the following European Union Trade Marks (“EUTM”):

No. 12493854 for the trade mark: **RED** which was applied for on 13 January 2014 (claiming an international Convention priority date of 31 July 2013 from an earlier filing in the United States of America). The application is currently shown as status opposed. Applied for in class 9 for a range of goods, the opponent relies upon the goods shown in paragraph 9 below.

No. 10579043 for the trade mark: **RED** which was applied for on 20 January 2012 and entered in the register on 24 October 2013. The opponent relies upon the goods shown in paragraph 9 below.

..

3. The applicant filed a counterstatement in which the basis of the opposition is denied.

4. In these proceedings, the opponent is represented by Kilburn & Strode LLP; the applicant is represented by CKL Brands Limited. Although neither party filed evidence nor did they elect to attend a hearing, the opponent filed written submissions in lieu of attendance.

DECISION

5. The opposition is based upon sections 5(1), 5(2)(a) and 5(2)(b) of the Act which read as follows:

“5 - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

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

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(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.”

6. An earlier trade mark is defined in section 6 of the Act, which states:

“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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered,

would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

7. In these proceedings, the opponent is relying upon the two trade marks shown in paragraph 2 above, both of which have application dates which are earlier than that of the application for registration. However, as No. 12493854 is currently opposed, it will, under the provisions of section 6(2) of the Act, only become an earlier trade mark upon its registration. As for No. 10579043, this trade mark had not been protected in the EU for more than five years at the date when the application was published. It is, as a consequence, not subject to proof of use, as per section 6A of the Act and the opponent is entitled to rely upon all of the goods it has identified.

Comparison of trade marks

8. The application is for the word “Red” presented in title case; the opponent bases its opposition upon two trade marks both of which consist of the word “RED” presented in block capital letters. In its counterstatement (paragraph 10), the applicant sensibly accepts that “the earlier marks are identical to [its trade mark].” In view of that admission, the opposition based upon section 5(2)(b) of the Act (which refers to similar trade marks) is no longer relevant.

Comparison of goods

9. The competing goods are as follows:

The opponent’s goods	The applicant’s goods
No. 12493854 Data processing equipment, computers, software.	Computer hardware, software, and peripherals; Electronic data processing installations; computer network apparatus; parts and fittings for all the aforesaid goods.

No. 10579043

Digital cinema camera systems and accessories, sold individually or as a unit, comprised of, flash memory cards, electronic memories, hard drives for video recorders, video monitors, flat panel display screens, connectors, all for use in the creation, recording, storage, editing, manipulation, playback or viewing of video, film, photographs, and multimedia data; modular digital camera systems and accessories, sold individually or as a unit, comprised of, flash memory cards, electronic memories, hard drives for video recorders, video monitors, flat panel display screens, connectors, all for use in the creation, recording, storage, editing, manipulation, playback or viewing of video, film, photographs, and multimedia data; electronic input/output modules for digital camera systems data transmission; optical and magneto-optical disc players and recorders for computer data; computer software programs for the editing and production of still images and moving pictures into an electronic delivery format; digital players for computer data; optical disc players and recorders for computer data; software for use in the field of digital still or motion picture filming and editing.

10. In its written submissions, the opponent provides a detailed analysis of what it considers to be the identity/high degree of similarity in the competing goods. Although I do not need to include those submissions here, I will, of course, bear them in mind in reaching a conclusion.

11. In its counterstatement, the applicant states:

“5. The opponent claimed that all the goods in class 9 are identical or similar to the goods covered in the same class in the opponent’s mark. However, the nature intended purpose and the consumers may be completely different although the entities belong to and compete fairly in the same marketplace...

6. Further, the goods offered in class 9 by the respective marks differ significantly. The earlier marks offer a specific list of terms with precise details regarding accessories such as “digital players for computer data”, “optical disc players and recorders for computer data” while the goods covered by [the application] are more generic such as “computer network apparatus”, “computer hardware”. The very nature and purpose of these goods significantly differs such that they cannot be regarded as similar. Simply because the earlier mark is protected for a vast specification of goods in class 9 cannot imply *per se* that any other trade mark seeking protection for other specification of goods in the same class should be denied by the office. This would result in a clear trespassing of the UK’s legislator’s intent and go beyond the scope of the Act.

7. In addition, the goods specified under class 9 of the respective marks would almost certainly be purchased and sold in different outlets. Based on the characterisation of the goods of [the application], it is reasonable to assume that the goods would likely be sold in any outlets selling electronic devices and computer-related products, whereas the goods of the earlier marks are intended to be offered generally by any shops selling film making equipment such as cameras and video recorders.

8. Besides, the distribution channels of the services (sic) at hand must be taken into consideration. Although this was not explicitly mentioned in *Canon*, it is widely used as an assessment criterion...The reasoning behind this criterion is that if services (sic) are offered through the same distribution channels, the consumer may be more likely to assume that the services (sic) are possibly offered by the same entity and vice versa. Applying this factor to the present case, the goods in class 9 of the earlier marks and [the application] are significantly different as highlighted above. While the goods protected by the earlier marks are more specific, [the application covers] general electronic products.

9. As such, the goods in the earlier marks are offered by different providers, are of a different nature and serve different purposes from “computer hardware, software” offered by [the applicant]. Therefore, these goods are dissimilar...”

12. In the judgment of the Court of Justice of the European Union (“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”.

13. 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.

14. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

15. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... 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.”

16. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, the General Court (“GC”) stated:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

The correct approach to the comparison

17. In approaching the comparison, I must, as the case law dictates, give the words in the competing specifications their natural meanings in the context in which they appear. I must not give them an overly liberal interpretation nor should I strain the words in the competing specifications unnaturally to produce an overly narrow meaning. In these proceedings, the opponent relies upon the two trade marks shown above. The first of these trade marks has a specification which, like the applicant’s specification, is couched in very general terms i.e. “Data processing equipment, computers, software.” That being the case, the comments contained in the applicant’s counterstatement (which appear in paragraph 11 above), can only relate to the specification of the opponent’s second trade mark.

The comparison with application No. 12493854

18. My analysis is as follows:

“Software” appears in both parties’ specifications and is identical;

“Electronic data processing installations” in the application is an alternative way of describing “data processing equipment” in the opponent’s specification; they are identical;

“Computer hardware” in the application includes “computers” in the opponent’s specification and is identical on the principle outlined in *Meric*;

“Computer network apparatus” in the application is encompassed by “data processing equipment” in the opponent’s specification and is identical on the *Meric* principle;

As the specific type of “peripherals” in which the applicant is interested are not identified, this term is broad enough to include (at least) “data processing equipment” and “software” in the application and is, as consequence, once again, identical on the *Meric* principle.

19. In its written submissions, the opponent states that the “parts and fittings for all the aforesaid goods” in the application are:

“24. Highly similar, since the goods for which the parts and fittings are used are identical or highly similar to the goods of the [earlier trade mark]”.

Given the degree of overlap in the nature, users, intended purpose, method of use and trade channels of the competing goods, that submission is unlikely to be controversial; I agree.

20. In order to succeed under section 5(1) of the Act, the trade marks and goods must be identical. The applicant accepts that the competing trade marks are identical. As I have concluded that “Computer hardware, software, and peripherals; Electronic data processing installations” and “computer network apparatus” in the application are identical to goods in the opponent’s specification, the opposition under section 5(1) of the Act succeeds in relation to those goods.

21. In relation to those goods which the opponent accepts are not identical, section 5(2)(a) of the Act applies. Having concluded that the “parts and fittings for all the aforesaid goods” in the application are highly similar to the goods in the opponent’s specification, I have no hesitation concluding that there is a likelihood of confusion in relation to such goods and the opposition based upon section 5(2)(a) of the Act succeeds in relation to these goods. In reaching this conclusion, I have not found it necessary to provide an analysis of either the average consumer for the competing goods or the manner in which such an average consumer may select such goods. That is because, in my view, it is self-evident that an average consumer of the goods I have identified as being identical, will also be an average consumer of parts and fittings for those goods. As the competing trade marks are identical, it matters not either the manner in which the goods are selected nor the degree of care that will be taken during that process.

Conclusions in relation to sections 5(1) and 5(2)(a)

22. The opposition has succeeded and, subject to the opponent’s first trade mark achieving registration for the goods upon which it relies in these proceedings, the application will be refused. To that extent, it may be necessary for this decision to be treated as provisional and the proceedings suspended. I will return to this point when I have considered the other trade mark upon which the opponent relies.

The comparison with registration No. 10579043

23. This trade mark is registered. Consequently, if the opponent succeeds on the basis of this trade mark, it will not be necessary to suspend these proceedings to await the registration of its first trade mark. As I mentioned earlier, it is in relation to the goods in the specification of this trade mark that, it appears, the applicant's comments in its counterstatement are directed. In this regard, I begin by reminding myself of the guidance provided in *Meric* i.e. that if a term in one parties' specification encompasses goods appearing in the other parties' specification, they are to be regarded as identical. This analysis has its limits; limits I will return to later in this decision.

24. Bearing the above in mind, my analysis is as follows:

The terms (i) "Computer hardware and (ii) "peripherals" in the application are broad terms which would, in my view, most likely be understood as meaning the (i) physical components of which a computer system is made up and (ii) the input, output and storage hardware for computers, respectively. "Computer network apparatus" is equally broad. Although it is likely to include goods specifically for communication between computers on a network, it is also likely to include goods proper to categories (i) and (ii) above. Although all are identified as being for use "in the creation, recording, storage, editing, manipulation, playback or viewing of video, film, photographs, and multimedia data", in my view, (at least) "flash memory cards", "electronic memories", "flat panel display screens", "connectors" and "electronic input/output modules for digital camera systems data transmission" which appears in the opponent's specification would all be regarded as goods falling within one or other of the terms in the opponent's specification I have identified above;

"Software" in the application includes "software programs for the editing and production of still images and moving pictures into an electronic delivery format" and "software for use in the field of digital still or motion picture filming and editing" in the opponent's specification; they are identical on the *Meric* principle;

The phrase “Electronic data processing installations” in the application is broad enough to include (at least) “electronic input/output modules for digital camera systems data transmission”, “optical and magneto-optical disc players and recorders for computer data”, “digital players for computer data” and “optical disc players and recorders for computer data” in the opponent’s specification; such goods are, once again, identical on the *Meric* principle;

25. In relation to the “parts and fittings for all the aforesaid goods” in the application, I reach the same conclusion as that mentioned in paragraph 19 above i.e. they are highly similar to goods in the opponent’s specification.

Conclusions in relation to sections 5(1) and 5(2)(a)

26. My conclusions in paragraphs 20 and 21 also apply here and the opposition based upon the opponent’s second trade mark also succeeds in full.

Submissions contained in the counterstatement

27. These are shown in paragraph 11 above. As I have explained, they were contained in the applicant’s counterstatement (filed on 14 November 2016) and relate to the specific nature of the goods in the opponent’s second trade mark. The official letter of 10 March 2017, which was sent to the parties following the conclusion of the evidence rounds, included the following paragraph:

“The decision in relation to this case will be made on the basis of the evidence and/or submissions now accepted into the proceedings. The Hearing Officer will decide the case on the specification currently before him or her. If, however, the applicant considers it has a fall-back position in the form of a limited specification, it should make this clear to the Hearing Officer (i.e. a limited specification should not be submitted for the first time at any appeal hearing). This will not represent a binding restriction of the

specification and no inference will be made, by the Hearing Officer, if such a limitation is, or is not, offered.”

28. The applicant’s specification includes a range of broad term which may (I put it no higher than that) include goods which are not similar to goods in the opponent’s second trade mark. Given the comments contained in its counterstatement, one might have expected the applicant to offer a fall-back specification for consideration. The fact that it did not may have been influenced by the identity in the competing trade marks and the presence of the opponent’s first trade mark which, while still pending, if registered for the goods upon which the opponent relies, represents a very clear-cut outcome in the opponent’s favour. The interdependency principle indicates that a higher degree of similarity in the competing trade marks may off-set a lower degree of similarity in the competing goods. Given the identity in the competing trade marks and as any limited specification offered by the applicant may also include goods which are similar to the goods in both of the opponent’s trade marks (even if only to a low degree), I do not consider it appropriate to give the applicant a further opportunity to offer a fall-back specification and decline to do so.

Overall conclusion

29. The opposition based upon the opponent’s second (and earlier trade mark) succeeds in full and, subject to any successful appeal, the application will be refused. In those circumstances, it is not necessary for these proceedings to be suspended to await the registration of the opponent’s first trade mark.

Costs

30. As the opponent has been successful, it is entitled to a contribution towards its costs. Awards of costs in proceedings commenced after 1 July 2016 are governed by Annex A of Tribunal Practice Notice (“TPN”) 2 of 2016. Using that TPN as a guide, I award costs to the opponent on the following basis:

Preparing a statement and considering the applicant's statement: £300

Written submissions: £300

Official fee: £100

Total: £700

31. I order Namib Brands Investments (Pty) Ltd to pay to Red. Com, Inc. the sum of £700. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16TH day of May 2017

C J BOWEN

For the Registrar

The Comptroller-General