

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2024951 BY
CHEMENCE LIMITED TO REGISTER A SERIES
OF MARKS IN CLASS 1**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
NO. 44728 BY VERBATIM CORPORATION**

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NO. 44728 BY VERBATIM CORPORATION**

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DECISION

On 24 June 1995 Chemence Ltd applied to register the following as a series of two marks

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VERBATIM

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VERBATIM

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for a specification of goods in Class 1 which reads:

Curable preparations; photocurable preparations; chemical preparations containing
polymerisable compounds; chemical preparations for use in making polyurethane;
chemical preparations for use in flexographic printing in the printing industry; chemical
preparations for use in flexographic printing and comprising unsaturated organic
compounds, polyols, and/or comprising isocyanate and/or methacrylate functionalities;
curable resins for making offset printing plates; but not including inks or toners for use
in office machines or preparations for use in making such inks or toners.

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The application is numbered 2024951.

On 12 June 1996 Verbatim Corporation filed notice of opposition to this application. Taking
account of amendments made during the course of proceedings the grounds are in summary

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(i) under Section 5(2) having regard to registrations standing in the name of the
opponents (details appear below)

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(ii) under Section 5(3) in that use of the mark applied for would take unfair
advantage of, and be detrimental to, the distinctive character or repute of the
opponents' registrations

(iii) under Section 5(4) in that use of the mark by the applicants would be liable to be prevented by the law of passing-off

Details of the opponents' registrations are as follows

No.	Mark	Class	Journal	Specification
5 1074095	VERBATIM	09	5201/844	Discs and magnetic tapes, all for recording sound or data, and cassettes and cartridges for use with such tapes.
10 1553595	VERBATIM	09	6093/7408	Computer software, computer programmes; disks and magnetic tapes, all for recording sound or data and cassettes and cartridges for use with such tapes; semiconductor-based memory cards; all included in Class 9.

20 The applicants filed a counterstatement denying the above grounds.

Both sides ask for an award of costs in their favour.

25 Both sides filed evidence. The matter came to be heard on 5 October 1999 when the applicants were represented by Ms E Himsworth of Counsel instructed by Hepworth Lawrence Bryer & Bizley and the opponents by Mr J Mellor of Counsel instructed by Chancery Trade Marks.

Opponents' evidence

30 The opponents filed four statutory declarations by Jane Ewers, Ron Arthur Stuart, Malcolm Tricker and William Kopatich.

35 Ms Ewers is the Finance and Administrator Manager of Verbatim Ltd, a position she has held since September 1992. She says the mark VERBATIM has been used in relation to the goods of the above registrations and in particular diskettes, data cartridges, magnetic optical disks, toner cartridges for printers and transparencies for use in laser or inkjet printers and are sold in every type of environment where computers are in use.

40 Use is said to have been continuous since 1980 and sales in recent years have been as follows

1991	£5.5 million
1992	£8.7 million
1993	£10.5 million
45 1994	£8.3 million
1995	£7.6 million

The approximate figures relating to advertising the trade mark VERBATIM in the UK for the last three years are said to be

5	1994	£80/100,000 - major promotion through Sky TV. Trade advertising, Microscope, PC News, Stationery Trade News
	1995	£50,000 - trade advertising as above
	1996	£50,000 - trade advertising as above

10 An example of product literature is at Exhibit JE1. Ms Ewers concludes with observations on the issue of confusion.

15 Mr Stuart is the General Manager of Verbatim Ltd. He confirms that he recognises the mark VERBATIM as being in use since the early 1980s in relation to the goods of the above registrations.

Mr Tricker is a Director of MAC Accessory Centre Ltd. He says he is familiar with the names “in this industry” (he does not say which industry). He says that he would be confused if he saw VERBATIM used in connection with the goods applied for.

20 Mr Kopatich does not say what position he holds but he is from Verbatim Corporation. He says he is personally familiar with the emerging technology involved in the manufacturing of CD/DVD disks. DVD disks go through an extra process stage in manufacture in order to bond the two 0.6 mm disk halves together to form the final 1.2 mm thick product. The bonding of DVD disks may be either through application of a hot melt adhesive or through use
25 of a UV-curable bonding agent. Ultraviolet light cures the photopolymer resin and bonds the two substrates.

30 He exhibits (1) an article explaining the manufacturing process for DVD disks. He says that Verbatim Corporation, through its business arrangements and ventures is a leader in the development of CD-RW technology, a bridge to DVD products. He exhibits (2) a further article in support of this claim and adds that the company is about to begin manufacturing and marketing DVD disks.

Applicants' evidence

35 The applicants filed an affidavit by Hugh Vincent Joseph Cooke, the Chairman of the Chemence Group of Companies which includes Chemence Ltd and Chemence Inc.

40 He describes his companies activities as follows:

“Both Chemence Inc and Chemence Limited manufacture performance chemicals. Our major product is Cyanoacrylate, which is used as what might (generically) be described as “super glue”. We make many other resins which cure or polymerize as single components rather than mixing the chemicals together. Most of our products are sold
45 as adhesives, but not all. The resins under the VERBATIM check mark are not adhesives, but polymerize, in the same manner as Cyanoacrylate would. Devices are used to get materials to polymerize, that is to harden, as distinct from dry or set. A

chemical reaction occurs. Cyanoacrylate is a single component material, which polymerizes when it comes into contact with anything basic. We make anaerobic curing materials that polymerize when deprived of oxygen. We make other resins that polymerize when they are exposed to light or are radiated. One can get all of those materials to polymerize with light, for instance, by adding UV photo initiators to them. Of course, you cannot shine UV through metal, so this is not necessarily the best method (but is a method). All UV is, is a method of causing polymerization, which is the desired effect on our material. We sell the materials to do things, which is why we call them performance chemicals. Our major US competitors include Loctite Corporation, Henkel, Polyfibrion and McDermid and our UK competitors are primarily the same.”

He goes on to say that the goods to which the VERBATIM mark is applied are UV photopolymers for use in the manufacture of flexographic printing plates. In support of this he exhibits

- HVJC2 - a product description and composition leaflet
- HVJC3 - a sample of a flexographic printing plate
- HVJC4 - a product brochure

He says Chemence do not manufacture printing plates, this is done by the user. Rather, they sell a liquid resin which is capable of being polymerized into a solid shape. In earlier times Mr Cooke says the group would have sold just rubber, and users would have embossed the rubber. The process now involves irradiating the resin with light and hardening the parts that light can see. That which it cannot see is washed out or removed, and then one gets the image for printing.

He goes on to describe the advantages of the liquid resin process over other methods in terms of the fact that uncured materials can be recovered and reused. The majority of finished plates are used to print corrugated boxes and multi-wall paper bags. Mr Cooke estimates that this is 90% of the flexographic printing market. Other use is the manufacture of rubber stamps or marking devices.

He describes the nature of the market and the marketing process itself as follows:

“The product is not used for any purpose other than for the manufacture of flexographic printing plates or rubber stamps and Chemence does not sell its liquid photopolymer resins to anyone other than printing plate manufacturers. Furthermore, Chemence does not have any plans to expand the use of its mark VERBATIM to products other than said photopolymer resins. The market is very narrow and highly specialized. The product would be sold to many customers in 55 gallon drums: thus, customers would buy the product knowing exactly what it is. To convince someone to buy the product takes a minimum of six months. Customers can have equipment costing millions of pounds in their workshops, and use our material to make printing plates in conjunction with that equipment.

Polymer resins are usually marketed to customers by approaching them and offering them advantages over other methods that they may be using. We often make an approach claiming very specific advantages over our competitors such as better washout or, less oxygen inhibition on the surface. Printing plates made with our resin are less likely to pick up lint and dust particles or to distort images in printing. We offer customers a period of sampling, running printing plates with them and satisfying them with a printing plate that will not disintegrate later.

Printing plates made with our resin have an advantage over the current alternatives in the market in that when the printing plate is made, it is more UV stable. If it is left on a window ledge, for example, it will not disintegrate as quickly as those of our competitors' which tend to disintegrate in time. By way of example, one might run several hundred thousand Budweiser boxes; weeks later a repeat order might be received and the same printing plates could be mounted onto the press and run again, at which point one would want the print plate to act as well. We claim advantages that printing plates made with our resin last better in storage than those of our competitors with the advantage that another one does not need to be made."

In further support of the above he provides

HVJC5 - a VERBATIM label

HVJC6 - technical data sheets including a Medical Health & Safety sheet reflecting the fact that the liquid is a skin and eye irritant.

Mr Cooke goes on to describe the circumstances in which the mark was chosen following a competition in which both UK and US staff participated and the pre-application search that was conducted (HVJC7). He says that he was not previously familiar with the opponents' products but understands them to be computer related. In support of this he exhibits (HVJC8) an extract from an interview with the opponents' President.

Insofar as the applicants' own use is concerned he says that this commenced on or about February 1995. UK turnover figures are said to be:

February 1995 to December 1996	£300,000
January 1997 to date*	£500,000

*Mr Cooke's affidavit is dated 18 December 1997.

UK promotional expenditure for the same period has been:

1995	£15,000
1996	£25,000
1997	£45,000

Since the above date of first use of the mark, Mr Cooke says he is unaware of any instances of confusion in the UK between the Opponent's disks/office supplies and Chemence's liquid photopolymers.

5 Mr Cooke concludes with observations on the word Verbatim, the opponents' goods and the differences between them. Briefly he,

- suggests that the word Verbatim borders on the descriptive and the opponents should not be able to monopolise it

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- expresses doubt that the opponents have established goodwill and reputation

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- comments in relation to Mr Kopatich's declaration that the technology he refers to was still 'emerging' in January 1997 and suggests that purchasers of the disks referred to would be unconcerned about the manufacturing process or the bonding agents involved. In any case he says that Chemence's polymer resin product could not be used for bonding purposes as the material would make a very poor adhesive; it is not designed for any adhesive purpose.

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- draws a distinction between his company's goods and the computer printing products and supplies sold by the opponents.

Exhibits HVJC9 to 11 are supplied in support of the above points.

25 **Opponents' evidence in reply**

Mr Stuart filed a further statutory declaration.

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He provides further and more precise information on the opponents' turnover and advertising figures previously given by Jane Ewers.

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I note that the advertising figures are considerably higher. This is attributed to the fact that Ms Ewers' estimates only covered what she thought was trade advertising. He provides RAS1 a more recent literature pack and a list of product releases. The latter in particular relate to the period after the filing date of the application in suit. Finally he responds to Mr Cooke's comments on the allusive nature of the mark.

That concludes my review of the evidence.

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The grounds pleaded are under Sections 5(2), 5(3) and 5(4) of the Act. Ms Himsworth in her skeleton argument and in submissions at the hearing made a number of criticisms of the grounds. She did so by reference to decisions of Geoffrey Hobbs QC sitting as the Appointed Person in WILD CHILD Trade Mark, 1998 RPC455 and DEMON ALE, an as yet unreported decision dated 28 September 1999, and remarks of the Vice Chancellor in NASA Trade Mark (again unreported at the time of writing) where the need for proper identification and particularisation of pleadings have been emphasised. In particular she noted that the opponents had not made it clear whether they objected to the whole or only part of the goods

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specification offered by the applicants (bearing in mind also the provisions of Article 13 of the Directive, 89/104/EEC) and their failure to amplify their bare claims by identifying the material facts relied upon. Despite these claimed deficiencies the case has nevertheless progressed through the evidence rounds to a main hearing. Given also that issues to do with the pleadings had been the subject of an earlier interlocutory hearing it is unfortunate that any continuing concerns the applicants had were not raised at an earlier stage. There has been no formal request to strike out the action on the basis of the perceived difficulties. To the extent that Ms Himsworth's criticisms go to the substance of the opponents' case and the evidence filed I propose to take them into account in what follows.

With these preliminary observations in mind I go on to consider the three grounds based on Section 5(2), 5(3) and 5(4) of the Act. These read as follows:-

(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.

(3) A trade mark which-

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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

10 I will deal fairly briefly with Section 5(2) as it was not in the main relied upon by Mr Mellor. Guidance has been given on the equivalent provisions in the Directive in a number of ECJ cases and by Geoffrey Hobbs QC in *BALMORAL Trade Mark*, 1999 RPC 297 where he confirms the composite nature of the test. *CANON v MGM*, 1999 RPC 117, indicates that a lesser degree of similarity between the goods and services covered might still lead to confusion where the marks are very similar and the earlier mark was considered highly distinctive as a result of the reputation it had acquired. Taking all these factors into account I cannot see that there is any basis for finding that there is a likelihood of confusion on the basis of the goods at issue, that is to say the applicants’ Class 1 goods and the opponents’ goods in Class 9. There is a considerable distance between the respective goods such that I do not think it necessary to make a detailed comparison based on the *British Sugar PLC v James Robertson* criteria (the *TREAT* case) 1996 RPC 281. The opposition fails under Section 5(2).

20 Under Section 5(4)(a) the opponents say that use of the mark applied for is liable to be prevented by the law of passing-off.

25 A helpful summary of the elements of an action for passing-off can be found in Halsbury’s *Laws of England* 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd -v- Borden Inc* [1990] RPC 341 and *Erven Warnink BV -v- J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

30 “The necessary elements of the action for passing-off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- 35 (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- 40 (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

45 The restatement of the elements of passing-off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an

exhaustive literal definition of ‘passing-off’, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing-off which were not under consideration on the facts before the House”.

5 Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

10 “To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- 15 (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

20 While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

25 In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- 30 (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- 35 (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances”.
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Section 5(4)(a) is based on Article 4(4) of the Directive. It is clear from the latter that the rights to be considered for this purpose must have been acquired prior to the date of application for registration (see also WILD CHILD Trade Mark at pages 459 to 460). In this case the material date is 24 June 1995. I can, therefore, take no account of those parts of the opponents’ evidence which relate to events after that date, notably the emerging DVD technology referred to in Mr Kopatich’s declaration and the 1996/7 product releases referred

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to in Mr Stuart's second declaration (though in practice I think the items referred to are largely new versions or upgrades of existing products and do not significantly extend the product lines offered). Mr Stuart also refers to "a slightly more recent example of the literature pack". Given that this comment is made in a declaration dated almost three years
5 after the material date I cannot safely take into account the contents of the brochure for present purposes.

In practice, therefore, I have to rely on the product literature in Ms Ewer's exhibit JE1 as being the main material in support and substantiation of the opponents' claims. The product
10 literature suggests three main product groupings - data storage devices (disks, tapes, tape cartridges, tape drives, computer tape, CDS); printer supplies (toner kits, toner cartridges, ink cartridge refilling systems, coated paper); and accessories (computer and office equipment cleaning products, anti glare filters for computer screens). The turnover figures given by Ms
15 Ewers (see above) suggest a not insubstantial trade and the advertising expenditure although appearing to decline is still on a reasonable scale if the restated figures in Mr Stuart's second declaration are taken. Little flesh is put on the bones when it comes to identifying the publications and media in which advertising takes place but reference is made to, for instance, PC News and Stationery Trade News which is probably indicative of the opponents' target
20 market place.

In relation to the word VERBATIM Mr Mellor suggested that it was a striking and effective mark because it hints at the characteristics of the goods without ever being directly
descriptive. I too favour the view that the mark is cleverly allusive rather than Mr Cooke's view that it is a near descriptive term. So far as the opponents' use was concerned Mr Mellor
25 pointed to what he regarded as the pervasiveness of their reputation. By this he meant that computers, photocopiers etc. are staple office products and, therefore, the opponents' goods would be found in a very wide variety of businesses. The opponents' own customers were said to include the sort of firms (printers, printing plate makers etc) who would be customers for the applicants' goods. That point has not, I think, been properly substantiated in evidence
30 but I do not doubt that theoretically at least it could be so.

Ms Himsworth did not concede that the opponents had established a reputation and goodwill and pointed to Mr Hobbs' comments in WILD CHILD Trade Mark to the effect that
assertions which lack substantiation are not sufficient to sustain an objection under the
35 Section. Certainly the opponents have in my view offered the bare minimum in support of their case. The main elements of their business are the data storage devices and toner cartridges. These two rather different areas of trade are not disaggregated in turnover terms. If I am not reading too much into Mr Mellor's words I am left with the impression that the data storage side of the business is of rather longer standing than the photocopier supplies side
40 and probably of rather greater importance to the business as a whole. However, even allowing for this element of imprecision in the evidence I think it is reasonable to infer that the opponents can claim goodwill in the core goods areas identified above.

The rather more difficult task facing the opponents is that of establishing the second leg of the passing-off test namely misrepresentation. There is, of course, no requirement in a passing-off
45 action that the goods are similar in the sense that that term is used in relation to Section 5(2). It is clear from, for instance, *Lego System Aktieselskab v Lego M Lemelstrich Ltd*, 1983 FSR

155 that there is no limitation in respect to the parties' fields of activity. However it is reasonable to suppose that the greater the apparent distance between the respective sets of goods the greater will be the evidential burden on an opponent to establish that, notwithstanding the different areas of trade, the relevant class of persons will mistakenly
5 assume that the goods are from the same source or connected in some way. Mr Mellor tackled this problem in two ways. Firstly he sought to show that the applicants' specification goes wider than the trade addressed in evidence by Mr Cooke (chemical preparations for the flexographic printing industry). Secondly he developed his claims as to the pervasiveness of the opponents' use in terms of the breadth of their sales.

10 I entirely accept that the point I have to consider is notional normal and fair use of the applicants' mark across the full range of goods covered by their application. I, therefore, agree that Mr Cooke's remarks cannot necessarily be taken as being representative of the full range of goods covered. The applicants' specification is in nature a progressive narrowing of
15 the general term curable preparations from which emerges the precise goods on which the mark is being used. I should also add that Mr Mellor's careful analysis of Mr Cooke's exhibit HVJC4 identified the breadth of uses for printing plates made from the applicants' chemical preparations. These range from printing onto corrugated boxes and paper bags (said to be 90% of the market) through to envelopes, tags, labels, hand stamps and business forms. Thus
20 it is suggested that there is potential overlap in areas of use with the opponents' goods as well as overlap in potential users given that the latter's goods might find their way into many and varied working environments.

25 I find it useful to revert to criteria (a) to (e) identified in the above passage from Halsbury in assessing whether confusion is likely. So far as the nature and extent of the opponents' reputation is concerned (point (a)) I have found that the opponents' reputation is rooted in data storage devices and probably to a somewhat lesser extent photocopier supplies. It does not extend to the full range of office products. Mr Cooke in his affidavit drew attention to a remark made by the opponent's President in Verbatim News where he says "I guess the
30 common denominator is the computer. We'll keep marketing computer related supplies". Although one should not place too much weight on such remarks it is, I think, a useful pointer to how a senior figure in the company characterises the business.

35 Point (b) relates to the closeness of the respective fields of activity. Even allowing for the full breadth of the applicants' specification I have some difficulty in accepting Mr Mellor's submissions in relation to the proximity of the area of trade. No matter what view one takes of the applicant's goods they still fall within the general heading of chemical preparations. The first four items in the specification are not linked directly to use in flexographic printing but even so they must, I think, be in the nature of chemical products that require some sort of
40 processing to turn them into a usable product. Certainly there is no evidence to suggest that they are end products in their own right as it were let alone that they might find their way into environments where the opponents' products might also be found. The goods of principal interest to the applicants are said to be sold in bulk liquid form to printers or printing plate makers who make the flexographic printing plates which in turn are used for printing cartons,
45 containers, packaging etc. That is perhaps indicative of the sort of processing chain involved.

It follows from the above that the opponents are in my view straining to make even a tenuous connection between the respective goods and have failed to provide any convincing evidence as to how and why confusion will arise as a result of the alleged closeness of the goods.

5 The high point of the opponents' case is items (c) and (d) in that the marks are effectively the same. It was suggested at the hearing that the initial letter V of the applicants' mark (see the second mark in the series) is in the same script as the initial letter of the mark used by the opponents. In my view it is an unremarkable script that is in common use. I draw no adverse conclusions from this point.

10 Point (e) takes me back to the very obvious difference in the respective trades. It is true that the opponents' data storage devices and other goods would be used in a variety of commercial environments. But the context in which they would be used and probably the users themselves would be different. Even if the marks were encountered together for some reason I cannot see
15 that any confusion would be other than momentary or inconsequential or that a substantial number of people would be misled (see *Neutrogena Corp v Golden Ltd* 1996 RPC 473 and *Reckitt & Colman Products v Borden*, 1990 RPC 341). It would not in my view lead to any mistaken belief as to a trade connection or common origin for the goods.

20 Ms Himsworth rightly pointed out that the opponents' evidence does not deal convincingly with the issue of confusion and asserts the claim without bringing forward any examples of confusion or explanation as to how and why confusion will arise. In fact neither Mr Stuart (in his first declaration at least) or Mr Kopatich claim that there will be confusion at all. Mr
25 Tricker is the only declarant who is not from the opponent company. Whether he is connected in some way as a distributor or retailer of their goods is not stated. He is a Director of MAC Accessory Centre Ltd and says he is "familiar with the names in this industry". He does not say what "this industry" is. He does say his reaction would be one of surprise and confusion if he were to see VERBATIM used in connection with the applicants' goods (in fact he refers to an older version of their specification). Again no reasons are given for this view. In short the
30 opponents have, on my appraisal of the evidence, failed to establish a misrepresentation on the part of the applicants which would lead to the belief that their goods were those of the opponents. It follows also that I cannot see that the opponents will suffer any damage. The Section 5(4)(a) case fails accordingly.

35 Turning finally to Section 5(3) it will be clear from the above comments that I regard the applicants' goods as being dissimilar to those of the opponents' earlier trade mark. To that extent the opponents bring themselves within Section 5(3). I was referred at the hearing to a number of reported cases and recent decisions bearing on the operation of this provision. These were principally *CORGI Trade Mark* 1999 RPC 449, *VISA Trade Mark* (a recent
40 Appointed Person decision dated 28 September 1999), *EVEREADY*, 1998 RPC 631 and *General Motors v Yplon*, the *CHEVY* case, where the ECJ's judgment was handed down on 14 September 1999. Mr Mellor relied on the latter in particular as regards the extent of the reputation needed to found an action under the Section. It seems to me that even if I accept that the opponents have a reputation for their data storage products within the specifications
45 of their earlier trade marks they still face a fundamental difficulty in terms of establishing the

adverse consequences identified in the Section. Mr Mellor put his case primarily on the basis of the detriment to the distinctive character of his clients' mark. In the EVEREADY case the Hearing Officer set out a number of criteria against which detriment could be considered. His prefatory comments and the criteria were as follows:-

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“Any use of the same or a similar mark for dissimilar goods or services is liable, to some extent, to dilute the distinctiveness of the earlier mark. The provision is clearly not intended to have the sweeping effect of preventing the registration of any mark which is the same as, or similar to, a trade mark with a reputation. It therefore appears to be a matter of degree. In considering detriment under this heading it appears to me to be appropriate to consider:

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1. The inherent distinctiveness of the earlier trade mark;
- 15 2. The extent of the reputation that the earlier mark enjoys;
3. The range of goods or services for which the earlier mark enjoys a reputation;
- 20 4. The uniqueness or otherwise of the mark in the market place;
5. Whether the respective goods/services, although dissimilar, are in some way related or likely to be sold through the same outlets;
- 25 6. Whether the earlier trade mark will be any less distinctive for the goods/services for which it has a reputation than it was before.”

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Taking these criteria in turn I have already indicated that I regard the opponents' mark as being distinctive unlike EVEREADY which in terms of inherent characteristics was regarded as being semi-descriptive. The opponent's mark in that case was also held to be substantially a one-product mark albeit that it enjoyed a high level of reputation as a result of the use made of it. That may not be quite the case with the opponents' mark here but the only goods within the specification of the earlier trade marks for which a reputation can be claimed appear to be the data storage items (the earlier trade marks do not embrace the printer supplies side of the business). This is still a relatively narrow range of goods on which to base a claim. There is no evidence before me to suggest that there are other VERBATIM marks in the marketplace. The opponents' goods do not share the same sales outlets. The trade channels are so far as I can see wholly different. Finally, I cannot see that the earlier trade mark will be any less distinctive for the goods for which it has a reputation than it was before. Taking all these factors into account I have no basis for finding that there will be any detriment to the distinctive character of the opponents' mark. For the sake of completeness I should also say I cannot see that any of the other adverse consequences identified in the Section apply in this case. It follows that the Section 5(3) ground also fails.

As the opposition has been unsuccessful the applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £735.

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Dated this 15 day of October 1999

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**M REYNOLDS
For the Registrar
The Comptroller General**