

O-219-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2262413
BY FOUNDATION SYSTEMS LIMITED
TO REGISTER A TRADE MARK
IN CLASS 9**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 90442 BY
SHARP KABUSHIKI KAISHA**

TRADE MARKS ACT 1994

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by Foundation Systems Limited to register a
Trade Mark in Class 9**

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**IN THE MATTER OF Opposition thereto
under No. 90442 by Sharp Kabushiki Kaisha**

Background

1. On 26 February 2001 (but claiming an international priority date of 29 August 2000) Foundation Systems Limited applied to register the following mark:



The application specifies goods in Class 9. During the course of the opposition the specification has been amended by the filing of a Form TM21 with the result that it now reads:

“Business software; accounting software; financial management software; project management software; time recording and billing software; professional services management software; electronic publications and on-line Internet publications including brochures and instruction manuals.”

2. On 27 September 2001 Sharp Kabushiki Kaisha (Sharp Corporation) filed notice of opposition to this application. They are the proprietors of the UK and CTM registrations, details of which are shown in the Annex to this decision. All are earlier trade marks within the meaning of Section 6(1)(a) of the Act.

3. The opponents also say that they have used those marks in the UK and that the trade mark SHARP has a reputation particularly in relation to computers, computer peripheral apparatus and electronic organisers. Objection is raised under Section 5(2)(b), 5(3) and 5(4)(a) of the Act. There is also a claim to the benefit of well known mark protection within the meaning of Section 6(1)(c)/Section 56 of the Act.

4. In relation to the Section 5(2)(b) ground the opponents have offered a number of more detailed submissions on the respective sets of goods and marks. I will deal with these points below.

5. The applicants filed a counterstatement denying the above grounds. They too offer what are in effect submissions in relation to the marks.

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

7. Both sides have filed evidence. Neither side has asked to be heard. Written submissions have been received from Sommerville & Rushton (their letter of 6 June 2003) on behalf of the applicants and RGC Jenkins & Co (their letter of 6 June 2003) on behalf of the opponents.

The evidence from the parties

8. The opponents have filed evidence in the form of a witness statement by Roger David George, their professional representative in this matter. Mr George firstly gives information on worldwide sales and advertising under the mark SHARP. The information is of marginal relevance only. It establishes that Sharp Corporation is a very large company but there is no breakdown of the figures by geographical or product area.

9. The opponents have a subsidiary, Sharp Electronics (UK) Ltd, hereinafter referred to as SUK. At the opponents' request the latter has provided information concerning sales of SHARP products in the UK. The UK business is itself divided into a number of product areas. The Image Solutions division covers products such as fax machines, printers, scanners, photocopiers and apparatus which cover a multiplicity of these functions. Sales figures are given as follows:

1993	£31,831,009
1994	£43,826,784
1995	£43,071,117
1996	£60,073,911
1997	£52,800,460
1998	£41,239,000
1999	£38,375,000
2000	£42,443,000
2001	£37,406,000

and advertising expenditure as:

1993	£ Not available
1994	£ 619,142
1995	£2,230,260
1996	£1,146,323
1997	£ 297,244
1998	£1,829,000
1999	£1,561,000
2000	£1,054,000
2001	£ 832,000

10. No breakdown is given between product types. Exhibited at RDG1 are four brochures for a colour ink jet printer/copier/scanner, a colour ink jet printer, and two models of a compact facsimile machine. The latter are not dated, the first two are dated May and September 2001 (which is after the relevant date) but are said to typify brochures that were available well before February 2001 (the material date is in fact 29 August 2000).

11. The above sales figures also cover goods which are termed 'small office and home office' products. These include personal computers, especially lap-top computers, personal organisers and hand-held computers. Brochures illustrating some of these products are exhibited at RDG2. I note that these are notebook PCs. Mr George says that these brochures are dated October 2000 (after the material date) but that Sharp had been selling computers "for many years". In fact the second of these brochures has a 10-98 printing reference so it may be dated rather earlier than Mr George suggests.

12. In addition to the advertising information given above Mr George says that Sharp have promoted their products by:

- sponsorship arrangements;
- in particular through sponsorship of Manchester United beginning in 1992 and continuing until May 2000. The mark is said to have featured on players' football shirts and through extensive media coverage;
- through becoming official supplier to the BT Global Challenge in 1996/7.

13. No exhibits are supplied in support of these claims.

14. Sharp also have a Consumer Electronics division as evidenced by two brochures at Exhibits RDG3 and 4. Firstly there is a Sharp Living (Home Entertainment 2001/2) brochure. The goods concerned embrace a range of audio/visual products (televisions, LCD monitors, minidisc systems, projectors, stereo systems, DVD players, amplifiers etc). The second brochure is Sharp Living (Home Appliances 2001/2) which includes microwave ovens, refrigerators, freezers and vacuum cleaners. Again the point is made that whilst these brochures are after the material date they are recent examples of a series of brochures which go back many years. Sales figures for the Consumer Electronics division are given as follows:

1993	£100,168,000
1994	£104,601,000
1995	£105,763,000
1996	£ 94,410,000
1997	£110,653,000
1998	£123,980,000
1999	£135,113,000
2000	£152,261,000
2001	£158,011,000

and advertising expenditure as:

1995	£1,068,000
1996	£1,741,000
1997	£2,182,000
1998	£2,369,000
1999	£2,101,000
2000	£1,302,000
2001	£1,221,000.

15. A breakdown of the media and promotional activities for the years 1995 to 1997 is provided but no examples of this activity are given in the form of exhibits. The remainder of Mr George's evidence is in essence submissions. I bear these in mind.

16. The applicants have filed a witness statement by Leonard John Palmer, a Director and the former Managing Director of the applicant company. It is clear from his evidence that SharpOWL software was not launched until September 2000 which is after the material date. I do not, therefore, propose to summarise the evidence of use that has taken place since as it can have little relevance to the issues before me. That, therefore, completes my review of the evidence to the extent I consider it necessary.

SECTION 5(2)

17. The Section reads:

“5.-(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.”

Sub-paragraph (b) applies here.

18. I have been referred to and take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

Comparison of goods

19. The opponents' statement of grounds and written submissions identify particular goods within the scope of their Class 9 specifications as a basis for their objections. I infer that they regard these goods as being closest to those of the applicants' amended specification. My own review of the specifications suggests that this is indeed the case. The specific goods thus identified and the applicants' specification are set out as follows for ease of reference:

Applicants' goods	Opponents' goods (with the number of the source registration)
Business software; accounting software; financial management software; project management software; time recording and billing software; professional services management software; electronic publications and on-line Internet publications including brochures and instruction manuals.	Computers, electrical and electronic apparatus and instruments, parts and fittings for all the aforesaid goods (No. 1296863), tapes containing pre-recorded sound (No. 1028389), magnetic data carriers, recording discs, computers and computer operating system software (No. 124511).

The ECJ's guidance in the *CANON* case was as follows:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Government 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 end users and their method of use and whether they are in competition with each other or are complementary”.

20. In *British Sugar Plc v James Robertson & Sons Ltd (Treat)*, [1996] RPC 281 Mr Justice Jacob also considered that channels of trade should be brought into the reckoning. Also in the *Treat* case he said that:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all, a trade mark specification is concerned with use in trade.”

21. I note too that in *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 32, the Court of Appeal said:

“The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus the court should

inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

22. The Courts have, therefore, been at pains to approach the interpretation of specifications in a pragmatic manner having regard to the trade and consumer perception.

23. This guidance is of particular assistance when dealing with the scope of broad or imprecise terms in specifications, in this case particularly ‘electronic apparatus and instruments’. The opponents’ submissions are to the following effect:

“The Applicant’s software will, like all software, be used by, or in relation to, or in tandem with computers, parts and fittings for computers and electrical and electronic apparatus and instruments, which are goods covered by the Opponent’s prior rights. The respective users of the goods are the same, ie computer users. The respective trade channels for such goods will also be the same, ie electrical retailers and computer stores. Such goods fall therefore in directly competing markets. Such software will also be recorded on magnetic data carriers/recording discs, ie goods covered by the Opponent’s earlier CTM. The Applicants electronic and Internet publications also fall within the term “electrical and electronic apparatus”, which are again goods covered by the Opponent’s earlier UK Registration No. 1296863. All of the goods covered by the Applicant’s specification are therefore identical to/or similar to those for which the Opponent’s earlier trade marks are protected.”

24. The goods identified above as forming the basis of the opponents’ case consist of a mixture of the specific (e.g. computers) and the general (electronic apparatus and instruments). I understand from the written submissions that the opponents regard the applicants’ goods as falling within or being a sub-set of the general term electrical and electronic apparatus and instruments. No assistance has been offered to help me decide the scope of the latter term. The applied for goods consist of various types of applications software and electronic publications. I have considered whether the trade or the public would consider applications software and electronic publications to be electrical and electronic apparatus and instruments. Even allowing for the undoubted breadth of the latter term I do not think they would. It would, in my view, be a distortion or unnatural extension of the meaning of those words to find that they embrace the applicants’ goods or that the latter would normally be described as parts and fittings for electrical and electronic apparatus and instruments.

25. The opponents nevertheless have computer operating system software in their specifications. Is the applicants’ application software identical or similar to operating system software? Both are software but simply being able to find a higher level term that embraces two items does not make them identical (or even similar). In *Mercury Communications Ltd v Mercury Interactive (UK) Limited* [1995] FSR 850 at page 865 Mr Justice Laddie considered that a registration of a mark simply for computer software will normally be too wide (the plaintiffs had a registration for computer programmes). He said that:

“In my view the defining characteristic of a piece of computer software is not the medium on which it is recorded, nor the fact that it controls a computer, nor the trade channels through which it passes but the function it performs.”

26. He went on to give examples of application functions which he considered to be entirely different products. On the basis of Mr Justice Laddie's approach computer operating systems software is different in character to each of the types of applications software in the applied for specification. Operating system software is normally understood to mean the suite of programmes that drives the computer and controls the execution of other programmes. It is an essential accompaniment to the hardware itself. Applications software, on the other hand, is what makes a computer perform a specific function (to behave like a flight simulator or design a chemical factory to use the examples given in the *Mercury* case). Accordingly I find that these goods are either different or at the outer reaches of similarity (if one takes the view that a computer package may be offered with certain basic applications functionality of which accounting software may be one example).

27. If I am right so far then it must also follow that the other specific items relied on by the opponents, that is to say computers, tapes containing pre-recorded sound, magnetic data carriers and recording discs, are at one further remove from the applicants' goods. The application of the *Canon/Treat* criteria does not readily yield the result claimed by the opponents. In each case the uses and users appear to me to be different save that at a high level of generality there will be a degree of commonality simply because to run even the most obscure applications software package requires a computer. I accept that computer stores may supply some of the applications software packages offered by the applicants (accounting software, for instance, is available as an 'off the shelf' package) but care must be taken with this common channel of trade argument bearing in mind the nature of computer stores (cf the position with supermarkets). Nor can the applicants' software be said to be in competition with the opponents' goods. At most they are to a small extent complementary.

28. The opponents also say that the applicants' electronic and Internet publications fall within electrical and electronic apparatus. Again I consider that to reach such a conclusion involves stretching the meaning of apparatus. I do not think the trade or consumers would naturally take the broad term in the opponents' specification to include electronic and Internet publications.

29. I conclude in relation to the respective sets of goods that there is a low to negligible degree of similarity between them.

Comparison of marks

30. The distinctive character of the earlier mark is a factor to be taken into account. That distinctive character can be either inherent or acquired (*Sabel v Puma*, paragraph 24). The opponents' evidence is potentially relevant here.

31. The word SHARP is a common dictionary word. It is also a surname. I have not been told how common it is. My impression (and I certainly put it no higher than that) is that it is not an uncommon surname. As an unused mark it would in my view carry a modest degree of distinctive character. The opponents' suggest that in their case the mark is entitled to claim more than that – indeed they say it is a well known mark. The difficulty for the opponents is that their evidence seeks to establish that they are a player in markets covering a diverse range of goods (ranging from printers, photocopiers, personal computers, audio/visual entertainment systems to microwaves, refrigerators etc). Clearly some of these goods are likely to be more relevant to this opposition than others. The most obviously relevant product area would be computers but the

evidence does not provide disaggregated information showing the nature and extent of their reputation in such goods. Furthermore there is just a single exhibit (the PC-A100 laptop brochure in RDG2) in support of the general claim (bearing in mind the material date). I am told nothing about the specifics of the trade in terms of where advertising has taken place, what distribution outlets exist, what the geographical spread of sales is etc. I have not lost sight of the references to high profile sponsorship arrangements but again there is no substantiation of the claims or evidence as to the results. Whether the sponsorship arrangements created awareness of products (and if so which) as distinct from the company itself is not made clear. I am left in the unsatisfactory position of being made aware that the opponents are a large and diversified company but with no clear indication as to precisely where that reputation lies and, importantly, what the effect of the use claimed has been on consumer perception of the mark.

32. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by those marks bearing in mind their distinctive and dominant components, *Sabel v Puma* paragraph 23. The matter must be judged through the eyes of the average consumer of the goods/services in question, *Sabel v Puma*, paragraph 23, the average consumer is deemed to be reasonably well informed and reasonably circumspect and observant but rarely has the chance to make direct comparisons between marks. Imperfect recollection must, therefore, be allowed for, *Lloyd Schuhfabrik v Klijsen Handel*, paragraph 27.

33. The opponents' written submissions are, in summary, that the strap line "The Professional Services Solution" in the applicants' mark contributes little or nothing to the character of the mark; the applied for mark includes the opponents' housemark; a proportion of consumers will be led to think that products branded with the applicants' mark emanate from the opponents; and oral mention of the applicants' mark will be without reference to the owl logo.

34. The applicants' written submissions are, in summary, that the dominant element of their mark is the owl device reinforced by the prominence of the word OWL; 'sharp' is acting as an adjective qualifying the noun owl (ie. a clever, intelligent owl); in contrast the opponents' mark conveys the idea of goods originating from an undertaking of that name; visually the applicants' mark has a prominent device and there are clear aural and conceptual differences.

35. Turning to my own view of the matter I find that the marks convey quite different visual impressions. The owl device is a strong and distinctive element in the applied for mark. It is reinforced by the word OWL. The word is nevertheless presented in a different typeface and bolder format than Sharp which necessarily has the effect of emphasising the two elements of the conjoined word SharpOWL. I agree with the opponents that the words 'The Professional Services Solution' are likely to be seen as a descriptive/non distinctive strapline.

36. Aurally the device is unlikely to be referred to not least because the word that describes it is in any case contained in the word SharpOWL. The marks are, therefore, somewhat closer from an oral/aural perspective.

37. Conceptually much depends on how the average consumer perceives the word Sharp. The applicants suggest that the surnominal significances is to the fore in the opponents' mark whereas the (different) adjectival significance is suggested by their own mark. The opponents' view is that it would be seen as their housemark. There is no evidence before me as to consumer perception. Much, therefore, depends on my own reaction to the marks. I tend to favour the

applicants' approach. I find that the most immediate and natural interpretation to be placed on SharpOWL is that the first element is being used adjectivally to qualify the second element whereas SHARP on its own more naturally lends itself to a surnominal usage.

Likelihood of confusion

38. The likelihood of confusion must be appreciated globally taking account of all relevant factors (*Sabel v Puma*, paragraph 22). If the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the Section - *Canon v MGM*, paragraph 29).

39. In *RALEIGH INTERNATIONAL Trade Mark*, [2001] RPC 11, page 202, Mr Hobbs QC, sitting as the Appointed Person said:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks. So the purpose of the assessment under Section 5(2) must be to determine the net effect of the given similarities and differences.”

40. I have concluded that there is at most a low degree of similarity between the goods. I acknowledge that this is a case where there is probably scope for more than one view as to whether the applied for mark captures (in part at least) the distinctive character of the opponents' earlier trade marks or brings it to mind. The mere fact that the whole of the opponents' mark is contained within the applied for mark is not in itself enough (see *10 Royal Berkshire Polo Club Trade Mark*, [2001] RPC 32). But there may be some who would see Sharp as performing the function of a housemark and the word OWL and device as indicating a sub-brand and who might therefore make an origin association with the opponents. Others will take a more holistic approach. For this latter group I believe the overwhelming message conveyed is of an OWL mark with Sharp offering descriptive support. The latter is my own view of the matter. It follows that, taking into account the net effect of the similarities and differences between the marks and the goods, I find that the opponents have not established a likelihood of confusion.

41. In reaching that view I have assumed that the average consumer for the opponents' goods will be both business customers and private individuals and that the applicants' customers will primarily be business users. In each case I believe a reasonable degree of care will be exercised in the selection and purchase of the goods concerned. I am also of the view that, whilst due allowance must be made for imperfect recollection, it is unlikely to affect the outcome of this case given the strong visual content and message of the mark applied for. The opposition fails under Section 5(2)(b).

The remaining grounds

42. The remaining grounds are under Section 5(3), 5(4)(a) and the well known marks provision. They each rely on the opponents establishing reputation/goodwill. The claims in Mr George's evidence go to Sharp's reputation in a diverse range of office, and domestic equipment. However, as I have already indicated, the evidence lacks precision and substantiation. It is not enough for an opponent to claim a reputation, the tribunal must have a clear picture as to the


nature and extent of that reputation. That is particularly important where the underlying claim is based on a diversified business. Whilst I am doubtful that the opponents could succeed under any of their other grounds given the differences in the marks and the specific nature of the applicants' goods the position must effectively remain untested on the basis of the material before me. I therefore, dismiss these other grounds.

43. The applicants have been successful and are entitled to a contribution towards their costs. I order the opponents to pay them the sum of £1250. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 31st day of July 2003

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

Opponents' registrations:

No.	Mark	Class	Goods
			(relevant Class only shown for No. 124511)
1028389	SHARP	09	Television and radio receiving apparatus and instruments; television transmitting and receiving apparatus for industrial use; sound recording and sound reproducing apparatus and instruments; tape recorders; tapes for recording sound and tapes containing pre-recorded sound; source adaptors being parts of television and radio receiving apparatus and instruments; electronic calculating machines and electronic accounting machines; electric batteries; and parts and fittings included in Class 9 for all the aforesaid goods.
1296863		09	Electrical and electronic apparatus and instruments; radio apparatus; apparatus for the receiving, recording, transmitting and reproducing sound and/or video; tapes, discs, integrated circuits and electronic circuits, all for or bearing sound and/or video; calculators, accounting machines and cash registers, all being electronic; electric batteries; facsimile telegraphy apparatus; photocopying apparatus; computers; data processing apparatus; semi-conductors; parts and fittings for all the aforesaid goods; all included in Class 9.
CTM 124511	SHARP	09	Scientific, nautical, surveying, electric, electronic, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; calculating machines, fire-

		<p>extinguishing apparatus; and parts, fittings and apparatus adapted for use with all the aforesaid goods; electronic cash registers; data processing equipment, computers; word processors; electronic calculators; copying machines; drums for copying apparatus and machines; printers for use with computers, word processors, electric organisers; video camcorders; scanners, electronic organisers; computers operating system software; hand-held terminal units for data processing; integrated circuit cards for electronic organisers, modems; facsimile machines; video camcorders, video cassette recorders, video tapes, videophones, video disc players; computer game apparatus; accumulators, batteries; television receivers; TV monitors; liquid crystal display monitors; antennas; liquid crystal display (LCD) projectors; radio cassette tape recorders; radio cassette tape recorders with a compact disc player; stereophonic sound systems comprising tape/disc/record players, tuners, amplifiers and speakers; compact disc players; mini disc players; headphone stereo cassette players; telephones; transceivers; intercommunication apparatus; remote controllers; car navigating apparatus; liquid crystal display apparatus; computer projection panels; vacuum cleaners; electric irons; integrated circuits; solar cells; electronic components; electroluminescence displays; light-emitting diodes (LED's); electronic whiteboards.</p>
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