TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATIONS Nos. 2313915A AND 2313915B
BY APPLIED ENERGY PRODUCTS LIMITED
TO REGISTER TRADE MARKS IN CLASS 11**

**AND IN THE MATTER OF OPPOSITIONS THERETO
UNDER Nos. 92306 AND 92307
BY HANSGROHE AG**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST THE DECISION OF MR M REYNOLDS
DATED 10 JUNE 2005**

DECISION

Introduction

1. These are two appeals against a decision of Mr. M. Reynolds, the Hearing Officer acting on behalf of the Registrar, dated 10 June 2005 (BL O/154/05). In that decision, Mr. Reynolds rejected the oppositions filed respectively against UK Trade Mark Applications Nos. 2313915A and 2313915B standing in the name of Applied Energy Products Limited ("AEP"). The opponent in both oppositions was Hansgrohe A.G. ("Hansgrohe"), which now appeals the decision. Although the oppositions were not formally consolidated, the Hearing Officer believed they were susceptible to a single decision. No complaint is made in that regard.

2. Eight out of ten of Hansgrohe's grounds of appeal in 2313915A concern the Registrar's giving of preliminary indications. Preliminary indications were first introduced into UK opposition proceedings by the Trade Marks (Amendment) Rules 2004, which came into force on 5 May 2004[1]. Following the filing of the notice of opposition (including the statement of the grounds of opposition) and the filing of the counter-statement[2], rule 13B provides:

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[1] Immediately after the Trade Marks (Proof of Use, etc.) Regulations 2004 came into force (rule 1(2)).

[2] Pursuant to rules 13 and 13A respectively.

"**13B Opposition proceedings: preliminary indication (Form TM53)**

(1) This rule applies if –

(a) the opposition or part of it is based on the relative grounds of refusal set out in section 5(1) or (2); and

(b) the registrar has not indicated to the parties that she thinks it inappropriate for this rule to apply.

(2) After considering the statement of the grounds of opposition and the counter-statement the registrar shall notify the parties whether it appears to her that the mark should or should not be registered in respect of the goods and services listed in the application.

(3) The date upon which such notification is sent shall be the "indication date".

(4) Where it appeared to the registrar under paragraph (2) that –

(a) the mark should be registered for all the goods and services listed in the application, the person opposing the registration shall, within one month of the indication date, file notice of intention to proceed on Form TM53, otherwise he shall be deemed to have withdrawn his opposition;

(b) the mark should be registered for some, but not all, of the goods and services listed in the application, unless –

(i) within the period of one month of the indication date, the applicant or the person opposing the registration files notice of intention to proceed on Form TM53; or

(ii) within the period of one month beginning immediately after the end of the period mentioned in paragraph (i), the applicant requests the amendment of his application so that it relates only to the goods and services which the registrar notified the parties to be goods and services for which it appeared the mark should be registered;

the applicant shall be deemed to have withdrawn his application for registration in its entirety; or

(c) the mark should not be registered for any of the goods and services listed in the application, the applicant shall, within one month of the indication date, file notice of intention to proceed on Form TM53, otherwise he shall be deemed to have withdrawn his application for registration.

(5) The registrar need not give reasons why it appears to her that the mark should or should not be registered, not shall her view be subject to appeal.

(6) If a notice of intention to proceed has been filed by either party then the registrar shall send a copy of that notice to all the other parties and the date upon which this is sent shall, for the purposes of rule 13C, be the "initiation date"."

3. At my request, the Registrar provided written submissions on the issue of preliminary indications. He also indicated a desire to be represented on that matter at the hearing of the appeal.

4. Hansgrohe's remaining grounds of appeal in 2313915A relate to the substantive decision of the Hearing Officer in BL O/154/05. The appeal in 2313915B stands or falls with the appeal in 2313915A.

Applications numbers 2313915A and 2313915B

5. The trade marks concerned are:

Number	Mark
2313915A	ACTIVE
2313915B	

AEP applied for the marks on 23 October 2002 in each instance requesting registration for the following goods:

Class 11
Showers; electric showers; electric instantaneous and pumped electric showers; power showers; mixer showers; instant showers; parts and fittings for all the aforesaid goods.

6. On 13 February 2004, Hansgrohe filed notices of opposition against AEP's applications. The sole ground of opposition in each case was that the mark applied for should be refused registration under section 5(2)(b) of the TMA. Section 5(2)(b) provides (insofar as relevant) that a trade mark shall not be registered if because 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. The earlier trade mark relied upon in both oppositions was Hansgrohe's UK Trade Mark No. 1557326, AKTIVA, registered for:

Class 11
Apparatus for the supply of water; sanitary installations; mixing valves; manually and automatically operated regulating apparatus for the supply and draining of water; mixer taps for wash-stands, bidets, washing tables, baths and for showers; shower cubicles; hand showers, shower heads, body showers and parts and fittings for showers; sanitary hoses, nozzles, shower holders; supply and discharge fittings, all for sanitary basins, wash-stands, washing-tables, bidets, bath tubs and for shower basins; siphons, supply and discharge pipes; lighting apparatus for use as sanitary fittings; parts and fittings for all the aforesaid goods; all included in Class 11.

UK Trade Mark No. 1557326 was applied for on 23 December 1993 claiming a priority date of 15 July 1993. It is clearly an "earlier trade mark" within the meaning of section 6(1)(a) of the TMA.

7. When the pleadings were closed, the Registrar gave preliminary indications on 24 May 2004[3]. In connection with Application number 2313915A, the Registrar's preliminary indication was that the opposition was likely to succeed under section 5(2)(b) and that 2313915A should not be registered for any of the goods or services applied for. However, for Application number 2313915B the preliminary indication was to the opposite effect, i.e., that the opposition was likely to fail and that 2313915B should be registered for all the goods or services.

8. AEP/Hansgrohe decided to proceed to the evidential stages of the oppositions in accordance with rule 13B(4)(c)/13B(4)(a). The evidence filed in the oppositions was the same. AEP's evidence comprised a witness statement of David Tate, dated 29 December 2004. Mr. Tate is a trade mark attorney with Marks & Clerk acting for AEP. He exhibits extracts from the Shorter Oxford English Dictionary, 2002 (DT1) in support of his suggestion that that words beginning with "AK" are inherently visually unusual, whereas words beginning with "AC" are not. He notes that AKTIVA is not in the dictionary. He also exhibits the entry from that dictionary for the suffix "ive" (DT2):

> "-**ive**/IV/*suffix*…Forming adjectives with the sense "tending to, having the nature or quality of," as **active**, **descriptive**. Also forming derived nouns, as adjective, locomotive. Cf **– ATIVE**".

In that regard, he notes that there is no entry for the suffix "-iva", which suggests that words ending in "-iva" are unusual. Hansgrohe's evidence consisted of a witness statement of Jennifer Margaret Maddox dated 28 September 2004. Ms. Maddox is a registered trade mark agent and partner of W.P. Thompson & Co., Hansgrohe's trade mark attorneys. She confirms that Hansgrohe owns UK Trade Mark number 1557326 AKTIVA and exhibits a copy of a printout from the register giving details of the mark (JMM1).

[3] The two indications appear to have been given by the same Principal Hearing Officer.

9. The parties declined an oral hearing. Written submissions were made on behalf of Hansgrohe. Mr. Reynolds arrived at his decision on the basis of the papers before him. As mentioned, he rejected both oppositions. He was of the view that the stylisation in 2313915B was unlikely to make or break either side's chance of success and that the result should follow 2313915A. Neither party challenges that view. But Hansgrohe argues that the Hearing Officer's decision in 2313915A should have followed the preliminary indication and the oppositions should have succeeded. I intend to deal with that point first.

Preliminary indications

10. Hansgrohe accept that a preliminary indication given by the Registrar pursuant to rule 13B(1) and (2) is neither binding on the parties nor susceptible to appeal (statement of grounds of appeal – 1.2, skeleton argument – 4.3). Nevertheless, Hansgrohe argues in essence that for the exercise to have any meaning, a Hearing Officer should not depart from the preliminary indication in the absence of later compelling evidence or submissions (statement of grounds of appeal – 1.2, skeleton argument – 4.2).

11. I was referred to: (i) the Patent Office Consultation on Proposed New Trade Mark Rules particularly the summary of responses and conclusions at http://www.patent.gov.uk/about/consultations/responses/tmrules/summary.htm paras 2.6 - 2.16; and (ii) the Trade Marks Registry Work Manual, Chapter 7, Law Section, para. 3.1.5. Mr. Mike Knight, the Registrar's representative, also informed me that the introduction of preliminary indications was in response to representations from the profession and users during the quinquennial review of the Patent Office. Whilst those materials have provided me with useful background information, the intention of rule 13B is, I believe, clear on its face.

12. First, rule 13B applies only to the extent that the opposition is based on section 5(1) or (2)[4]. A preliminary indication will not necessarily be available in, or coextend with, any particular opposition. Second, rule 13B kicks in once the pleadings (and any cooling off period) have closed but before the evidential rounds of the opposition. At this relatively early stage in the opposition, rule 13B says that after considering the pleadings the Registrar shall notify the parties whether it appears to him that the mark should or should not be registered for the goods/services concerned. The point of time when the Registrar's view is notified to the parties is called the "indication date". Third, within one month from the indication date, the parties must signify whether irrespective of the Registrar's view, they wish to continue the proceedings. The Registrar's view dictates what action is to be taken and by whom. Where the indication is that the mark should be registered for all the goods/services, the opponent needs to file notice of intention to proceed on Form TM53 within one month of the indication date otherwise the opposition is deemed withdrawn. Contrariwise, if the Registrar's view is that the mark should be refused registration for the all the goods/services, the applicant must serve

[4] Provided the Registrar does not deem it inappropriate for the rule to apply. Mr. Knight recalled only one section 5(1)/(2) opposition where the Registrar signified a preliminary indication inappropriate.

notice of intention to proceed on Form TM53 within one month of the indication date otherwise the application is deemed withdrawn. Where the indication is that the mark should be registered for some but not all of the goods/services, either party (or both parties) can serve notice of intention to proceed on Form TM53 within one month of the indication date. There is then a further one-month period during which the applicant can request amendment of his application so that it relates solely to those goods/services for which it appeared to the Registrar that the mark should be registered. If neither of those events occur, the application is deemed withdrawn in its entirety. Fourth, the Registrar is obliged to copy any notice of intention to proceed to the other side. The date of that notification is called the "initiation date", which starts time running for the evidence rounds or the adversarial stage of the opposition proceedings. Fifth, rule 13B makes clear that the Registrar need give no reasons why it appears to him that the mark should or should not be registered and his view cannot be appealed.

13. In short, I believe Mr. Malynicz, AEP's Counsel, correctly summed up the situation when he said that a preliminary indication is exactly what rule 13B says it is: an early non-binding view of the merits of a section 5(1)/(2) opposition, which the parties can either accept or ignore; an aid to settlement. There is nothing in the rule to signify that a hearing officer can only depart from a preliminary indication on the basis of compelling evidence or argument. Indeed as the discussions before me highlighted, such a rule would be impractical not least because the Registrar is under no obligation to give reasons for his view. Mr. Knight assured me that the Registry strives for consistency and that in 40 per cent of cases the preliminary indication is the end of the matter. Nonetheless, as the present oppositions illustrate, it is inherent in the system that there will be differences. As Pumfrey J. remarked in *LZB Properties v. Ball* [2002] EWHC 26902 (Ch), 13 November 2002 at para. 36:

> "There are very few trade mark cases where the marks are only similar but not identical, where it is not possible for reasonable tribunals on the same facts to come to different conclusions."

14. The above findings render it unnecessary for me to consider Hansgrohe's submissions concerning the alleged non-compelling nature of AEP's evidence.

The nature of the appeal

15. Moving on to the substantive appeal, the parties reminded me of the applicable principles. The appeal is a review not a rehearing and in a case like the present involving a multi-factorial assessment under section 5(2), I should be reluctant to interfere with the Hearing Officer's decision in the absence of an error in principle. The appellate tribunal should not treat a decision as containing an error of principle simply because of its belief that the decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden. Nevertheless, matters that are vital to a conclusion must be stated so that the appellate tribunal can understand how the decision was arrived at (*REEF Trade Mark* [2003] RPC 101, Robert Walker LJ at 109

– 110). The review will engage the merits of the appeal (*DU PONT Trade Mark* [2004] FSR 293, May LJ at para. 94). Ms Maddox of W. P. Thompson & Co., who appeared for Hansgrohe, additionally referred me to the follow-on observation of Pumfrey J. in the *LZB* case at para. 36:

> "On the other hand, where the factual material was thin and the parties did not address submissions to the Hearing Officer otherwise than in writing, I should perhaps feel less reluctance than I normally would to interfere with the decision of the Hearing Officer."

Substantive grounds of appeal

16. Hansgrohe contend that the Hearing Officer erred in his assessment of likelihood of confusion for section 5(2)(b) because:

    (a) He failed to take proper account of the fact that the letters "K" and "C" may be used interchangeably in trade marks.

    (b) Although the Hearing Officer found that AKTIVA had high distinctive character for the goods in question, he did not factor that into his global assessment of likelihood of confusion. A distinctive trade mark is more likely, not less likely to be confused with another mark which has a very similar visual, phonetic and conceptual content.

    By way of preliminary, I should mention that Mr. Malynicz queried the width of Ms. Maddox's attack on the Hearing Officer's decision. Citing *COFFEEMIX Trade Mark* [1998] RPC 17, Mr. Malynicz complained that many of the points she raised were not contained in her skeleton argument or in the grounds of appeal. Ms. Maddox responded that all her submissions flowed from the grounds stated in the notice of appeal (see above). Whilst the skeleton argument on behalf of Hansgrohe might have been more expansive, I accept Ms. Maddox's reply. She did not seek to introduce unidentified arguments of law at the hearing of the appeal.

17. Ms. Maddox contended that the Hearing Officer's failure fully to take into account the substitutability of the letter "K" with "C" and vice versa led him into error especially in the conceptual comparison of the marks and in the application of the doctrine of imperfect recollection. Mr. Malynicz said this was a question of evidence. But, there are examples in the case law; see, *PELICAN Trade Mark* [1978] RPC 424.

18. The Hearing Officer's comparison of the marks went as follows:

> "16. I go on to consider the visual, aural and conceptual similarities of the marks. Both marks contain six letters with four of them in common and in the same positions. The differences lie in the second and last letters. The applicant has reminded me that small differences can be telling in relatively short words. In this case the difference it makes is between a common dictionary word (ACTIVE) and what for most people will be a meaningless/invented word. I accept too that

words commencing with AK- and/or ending in –VA are relatively uncommon. These are not insignificant visual differences in the context of the marks as wholes.

17. Nevertheless, the opponent's written submissions suggest that the level of spelling accuracy is so low that the letters K and C are used interchangeably. I think it unlikely that a common word such as ACTIVE would be misspelt as AKTIVA, or that circumstances are likely to arise where transcription problems of this order will occur.

18. Aurally, the marks are somewhat closer as the (hard) C and K sounds will be indistinguishable in speech. The final letter of ACTIVE is not articulated. The final letter of AKTIVA will be and turns it into a three syllable as opposed to a two syllable word. It has been said in the past that the beginnings of words tend to be the most important and that there is a tendency to slur the termination of words (see *TRIPCASTROID* [(1925)] 42 RPC 264 at page 279). Each case must, however, be considered on its merits. I see no reason why the final A of AKTIVA would be dropped or slurred.

19. There is one other point to mention. The stress on ACTIVE is on the first syllable. Because AKTIVA will be seen either as a German word or, more likely, an invented word it is less certain where the consumer would place the stress. In dealing with this decision I have found myself placing the stress on the second syllable and giving it a long vowel sound as in Geneva. I cannot, of course, say for certain whether my own approach is likely to be typical of consumers at large. In short there is rather greater aural than visual similarity but due allowance must be made for the effect of the final A of AKTIVA and its effect on stress and pronunciation of the I.

20. Conceptually, the balance swings in the applicant's favour because ACTIVE is a well known dictionary word and AKTIVA is not (or, to the extent that it is a German word it appears to have a completely different meaning to the English word 'active'[5]).

21. The importance of conceptual dissimilarity was considered by the Court of First Instance in *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH* Case T-292/01:

> "54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it

[5] The case details for the earlier mark note that it consists of a German word meaning "financial assets". The Hearing Officer found that this meaning was unlikely to be apparent to the average UK consumer.

> immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient – where the other mark does not have such a meaning or only a totally different meaning – to counteract to a large extent the visual and aural similarities between the two marks"."

19. Turning to the assessment of likelihood of confusion for section 5(2)(b), the Hearing Officer said:

> "22. Likelihood of confusion is a matter of global appreciation taking all relevant factors into account (*Sabel v Puma*, paragraph 22). A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods (*Canon v MGM*, paragraph 17). The goods in question here are either identical or closely similar. I also consider that, because the goods will for most people be occasional purchases only, the opponent is right to say that particular allowance must be made for the effects of imperfect recollection. That said, the purchase of a shower is a significant item of expenditure and care is likely to be taken in the selection process. I would expect visual considerations to play a key part either by inspection of the actual goods or by viewing them in a catalogue. That much is confirmed by the opponent in paragraphs 8 and 9 respectively of the (separate) sets of submissions. Those submissions go on to say that "[T]he trade mark will be used to identify the particular model wanted by the consumer, so there is a high level of potential for inaccurate transcribing of the trade marks or mis-remembering of the trade marks". I do not understand why the use of marks in the course of trade on packaging or on display material should result in inaccurate transcription or why the averagely attentive etc consumer should mis-remember marks to the point where an invented word and a common dictionary word are confused.
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> 23. In my view the visual and conceptual differences between the marks outweigh and have greater impact than the points of similarity (including aural similarity)."

20. Subsequently, the Hearing Officer gives two reasons for reconsidering the outcome: (a) an overlap of parts and fittings in the respective specifications;

and (b) "the possibility that some consumers may make an association between the marks thinking perhaps that AKTIVA is a foreign language version of ACTIVE or vice versa". Nevertheless, the Hearing Officer concludes that neither opposition under section 5(2)(b) is made out.

21. In my view there is force in some of Ms. Maddox's submissions in relation to the first ground of appeal. Although the Hearing Officer denied that the average UK consumer might misspell the common English word ACTIVE he did not contemplate the reverse scenario that AKTIVA might wrongly be remembered or transcribed as ACTIVA, which would mean that the marks were virtually visually identical. As to conceptual similarity, I do not believe that the Court of First Instance of the European Communities intended to lay down any hard and fast rule in Case T-292/01, *BASS/PASH* [2003] ECR II-4335 (see, Case C-206/04 P, *Mülhens GmbH & Co. KG v. OHIM*, 23 March 2006 (ECJ)). Given that AKTIVA might be mis-remembered/mis-transcribed, or (as pointed out by the Hearing Officer) seen as a foreign language equivalent of ACTIVE, the conceptual messages conveyed by the marks would be the same. Indeed, I am troubled by the passage quoted at paragraph 20(b) above[6] because it seems to me that the Hearing Officer was making a finding of indirect confusion. I do not agree with Ms. Maddox that the Hearing Officer made no allowance for imperfect recollection. However, it is apparent from paragraph 22 of the decision (see paragraph 19 above) that the Hearing Officer did not have in mind that the average consumer might imperfectly recollect AKTIVA as ACTIVA. I also queried whether the purchase of a shower necessarily involves significant expenditure but Ms. Maddox took no point in that regard.

22. The Court of Justice of the European Communities ("ECJ") has consistently ruled that the greater a mark's distinctive character, either per se or because of the reputation it possesses on the market, the broader the protection which a mark enjoys (Case C-251/95 *SABEL* [1997] ECR I-6191, para. 24, Case C-39/97 *Canon* [1998] ECR I-5507, para. 18, Case C-342/97, *Lloyd Schuhfabrik Meyer*, para. 20). The second ground of appeal is that the Hearing Officer regarded AKTIVA as having high inherent distinctive character in relation to the goods in question (decision, para.14[7]) but failed to give that finding due account when assessing likelihood of confusion. Mr. Malynicz was unable to point me to any express recognition of the ECJ's ruling in the Hearing Officer's determination. Instead he argued that given the Hearing Officer's experience the ruling must have played a part. In my view, that does not answer Hansgrohe's criticism. The reasoning behind a decision must be discernible from its face (*REEF*, supra).

23. Since Hansgrohe has made out its grounds, I must determine the oppositions afresh. Neither party has challenged the Hearing Officer's view that the opposition to 2313915B stands or falls with the opposition in 2313915A. In any event I endorse that view. I have read the papers carefully and unlike the Hearing Officer, I have had the benefit of oral submissions from both parties.

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[6] Paragraph 24 of the Hearing Officer's decision.

[7] AEP did not challenge that finding. Likewise, Hansgrohe did not question the Hearing Officer's finding that ACTIVE was distinctive in relation to the goods applied for.

Taking into account all the relevant circumstances acting interdependently particularly the visual, aural and conceptual similarities between the marks, the identity or close similarity in the goods, the distinctive character of AKTIVA and the association that can be made with the marks in suit, I find that there exists a likelihood of confusion within the meaning of section 5(2)(b) so that 2313915A and 2313915B must be refused registration.

Conclusion

24. In the result, the appeals succeed. The Hearing Officer assessed the costs of the successful party in the oppositions at the combined sum of £700. I order AEP to pay Hansgrohe the sum of £700 in respect of the oppositions and an additional sum of £700 towards Hansgrohe's costs of these appeals to be paid on the same terms as ordered by Mr. Reynolds.

Professor Ruth Annand, 27 March 2006

Ms. Jennifer Maddox of W. P. Thompson & Co. appeared on behalf of Hansgrohe A.G.

Mr. Simon Malynicz of Counsel instructed by Marks & Clerk appeared on behalf of Applied Energy Products Limited

Mr. Mike Knight appeared on behalf of the Registrar of Trade Marks