

O-249-06

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2360538  
BY AJIT KUMAR  
TO REGISTER THE TRADE MARK:**



**IN CLASS 35**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 92785  
BY OLYMPUS KABUSHIKI KAISHA**

## Trade Marks Act 1994

**In the matter of application no 2360538  
by Ajit Kumar  
to register the trade mark:**



**in class 35  
and the opposition thereto  
under no 92785  
by Olympus Kabushiki Kaisha**

### **BACKGROUND**

1) On 8 April 2004 Ajit Kumar applied to register the above trade mark (the trade mark). The application was published for opposition purposes in the 'Trade Marks Journal' on 11 June 2004 with the following specification:

*the bringing together, for the benefit of others, of a variety of goods, enabling customers conveniently to view and purchase those goods in a retail showroom, through a mail-order catalogue or by purchasing on-line through an Internet website, all specialising in medical and healthcare equipment and supplies.*

The above services are in class 35 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 10 September 2004 Olympus Kabushiki Kaisha, which I will refer to as Olympus, filed a notice of opposition to the application. Olympus relies upon two earlier trade mark registrations:

- United Kingdom registration no 1453314 of the trade mark:



The trade mark is registered for the following goods:

*endoscopy apparatus and instruments; fibrescopes; all for medical use; photographic apparatus adapted for in vivo medical use; furniture adapted for medical use; dilation catheters; endomyocardial biopsy apparatus and instruments; bronchoscopy apparatus and instruments; laparoscopy apparatus and*

*instruments; trolleys adapted for medical use; forceps; scissors for surgical use; probes for medical use; diathermy apparatus; cannulae; trocars; uterine manipulation apparatus and instruments; oesophageal dilation apparatus and instruments; prosthetic tubes; surgical apparatus for introducing prosthetic tubes into the body; cystoscopy apparatus and instruments; ultrasonic cleaners; medical suction pumps; endoscopic suspension apparatus; patients couches, chairs and beds; CCTV apparatus adapted for in vivo medical use; video endoscopes for medical use; endoscope washing and disinfecting apparatus and instruments; autoclaves; endoscopes and instruments for minimally invasive surgery; light sources for medical use; endoscopic insufflation gas regulators; dental examination apparatus; parts and fittings for all the aforesaid goods; all included in Class 10.*

The registration process was completed on 1 October 1993. Olympus claims that in the five years prior to the date of the publication of Mr Kumar's trade mark this trade mark has been used in respect of the following goods:

*endoscopy apparatus and instruments; fibrescopes; all for medical use; photographic apparatus adapted for in vivo medical use; furniture adapted for medical use; dilation catheters; bronchoscopy apparatus and instruments; laparoscopy apparatus and instruments; trolleys adapted for medical use; forceps; scissors for surgical use; probes for medical use; diathermy apparatus; cannulae; trocars; uterine instruments; oesophageal dilation apparatus and instruments; prosthetic tubes; surgical apparatus for introducing prosthetic tubes into the body; cystoscopy apparatus and instruments; ultrasonic cleaners; medical suction pumps; CCTV apparatus adapted for in vivo medical use; video endoscopes for medical use; endoscope washing and disinfecting apparatus and instruments; endoscopes and instruments for minimally invasive surgery; light sources for medical use; endoscopic insufflation gas regulators; parts and fittings for all the aforesaid goods; all included in Class 10.*

The trade mark is in the name of Olympus.

- Community trade mark registration no 194316 of the trade mark:

The logo for KeyMed, featuring the word 'KeyMed' in a bold, stylized font. The 'K' and 'M' are significantly larger and more prominent than the other letters. The 'e' and 'd' are smaller and positioned between the 'K' and 'M'. The logo is black on a white background.

The trade mark is registered for the following goods:

*optical, photographic and video display apparatus; teaching apparatus and instruments all relating to optical and medical matters; television apparatus and instruments; power supply units; fibre optic light guides; borescopes for industrial use; parts and fittings for the aforesaid; tapes, wires and discs, all carrying audio and/or visual signals; exposed films;*

*surgical and medical apparatus and instruments; pumps for use with surgical and medical apparatus; trolleys and workstations, all adapted for medical use; cleaning apparatus for medical and surgical apparatus and instruments; endoscopy apparatus and instruments; fibrescopes; all for medical use; photographic apparatus adapted for in vivo medical use; furniture adapted for medical use; dilation catheters; endomyocardial biopsy apparatus and instruments; bronchoscopy apparatus and instruments; laparoscopy apparatus and instruments; forceps; scissors for surgical use; probes for medical use; diathermy apparatus; cannulae; trocars; uterine manipulation apparatus and instruments; oesophageal dilation apparatus and instruments; prosthetic tubes; surgical apparatus for introducing prosthetic tubes into the body; cystoscopy apparatus and instruments; ultrasonic cleaners; medical suction pumps; endoscopic suspension apparatus; patients couches, chairs and beds; closed circuit television apparatus adapted for in vivo medical use; video endoscopes of medical use; endoscope washing and disinfecting apparatus and instruments; autoclaves; endoscopes and instruments for minimally invasive surgery; light sources for medical use; endoscopic insufflation gas regulators; dental examination apparatus; parts and fittings for all the aforesaid goods;*

*sterilizing apparatus for medical and surgical apparatus and instruments.*

The above goods are in classes 9, 10 and 11 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

The registration process was completed on 3 March 1999. Olympus claims that in the five years prior to the date of the publication of Mr Kumar's trade mark this trade mark has been used in respect of the following goods:

*endoscopy apparatus and instruments; fibrescopes; all for medical use; photographic apparatus adapted for in vivo medical use; furniture adapted for medical use; dilation catheters; bronchoscopy apparatus and instruments; laparoscopy apparatus and instruments; trolleys adapted for medical use; forceps; scissors for surgical use; probes for medical use; diathermy apparatus; cannulae; trocars; uterine instruments; oesophageal dilation apparatus and instruments; prosthetic tubes; surgical apparatus for introducing prosthetic tubes into the body; cystoscopy apparatus and instruments; ultrasonic cleaners; medical suction pumps; CCTV apparatus adapted for in vivo medical use; video endoscopes for medical use; endoscope washing and disinfecting apparatus and instruments; endoscopes and instruments for minimally invasive surgery; light sources for medical use; endoscopic insufflation gas regulators; parts and fittings for all the aforesaid goods; all included in Class 10.*

The trade mark is in the name of Olympus Kogaku Kogyo Kabushiki Kaisha (at the same address as Olympus).

Olympus claims that respective goods and services and trade marks are similar. Consequently, there is a likelihood of confusion and registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

3) Olympus states that it or its permitted user, KeyMed (Medical & Industrial Equipment) Limited, which I will refer to as KML, has used the trade mark KeyMed in respect of the manufacture and supply of specialised medical and industrial equipment for at least thirty years. By virtue of this use, and the consequent goodwill and reputation, use of the trade mark is liable to be prevented by virtue of the law of passing-off. Consequently, registration of the trade mark would be contrary to section 5(4)(a) of the Act.

4) Olympus requests that the application be refused and seeks an award of costs.

5) Mr Kumar filed a counterstatement. He accepts the statement of use made by Olympus. It is denied that the respective trade marks are similar and that the respective goods and services are similar. The grounds of opposition under section 5(2)(b) of the Act are denied. Mr Kumar also denies that use of the trade mark is liable to be prevented by the law of passing-off. He states that Olympus has known of his use of the trade mark for at least two years and had not objected to the use. He states that he exhibited in the same hall as Olympus in 2003 and 2004 and had meetings with Olympus in Glasgow. Mr Kumar states that he has spoken to Olympus to obtain quotations for goods for customers. Mr Kumar seeks a “full” award of costs.

6) Both sides filed evidence.

7) The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing. Both sides filed written submissions. Consequently, this decision is made from the evidence and written submissions before me.

## **EVIDENCE**

### **Evidence of Olympus**

#### **Witness statement of Roger Leslie Gray**

8) Mr Gray is general manager, quality assurances and regulatory affairs, for KML, which trades as KeyMed. He states that KML was founded in 1970 and since 1986 has been a wholly owned subsidiary of Olympus. Mr Gray states that Olympus is recognised worldwide for its medical products and in particular its cameras, microscopes and endoscopic instrumentation. KML is the United Kingdom developer and manufacturer of such products, which it also supplies and repairs. KML is also the United Kingdom distributor and service centre for other goods such as diagnostic ultrasound systems. He states that the main product areas of KML are GI and respiratory endoscopy, surgical endoscopy, ancillary products and ultrasound. He states that KML is a major supplier of

specialised medical and industrial equipment worldwide. Mr Gray states that KML first applied to register KeyMed in respect of its main goods of interest in August 1979. Subsequently, Olympus became the proprietor of these registrations and applied to register additional trade marks. KML continues to use the name KeyMed with the authorisation of Olympus. Mr Gray states that KML has used the name KeyMed in the forms shown in exhibit RLG1. These show KEYMED, KeyMed, KeyMed in the form of the registrations, KeyMed in the form of the registrations with specialised services to medicine and industry written beneath and KEY MED, with the two words separated by twin snakes coiled together in the manner of the staff of Asclepius. Mr Gray states that these trade marks have been used in respect of the manufacture, supply and repair/servicing of the goods for which use has been claimed. Pages downloaded from keymed.co.uk on 1 April 2005 are included in exhibit RLG3. The banner on the page uses KeyMed in the form of the registrations with specialised services to medicine and industry written beneath. The pages show use in relation to various types of medical equipment. Below can be seen the nature of the goods and the trade marks which are used in relation to them:

GI & Respiratory Endoscopy	Olympus Evis, Evis Lucera and OES trade marks
Surgical Endoscopy	Olympus EndoALPHA, EndoEYE, VISERA, SonoSurg and PortaView-LF trade marks
Energy Products	SonoSurg, and Olympus trade marks
Ancillary Products	Olympus and Sony trade marks
Ultrasound Systems	Aloka, Aloka ProSound, ProSound trade marks
EndoTherapy Devices	Olympus

At the bottom of the pages is written:

“For further details on products available from KeyMed, please call our Customer Services Team....”

In relation to ancillary products the following can also be found:

“KeyMed and Sony have worked together to provide products for integration with endoscopic, surgical and ultrasound systems.....KeyMed works in partnership with Sony to provide video printers suitable for medical use....The Olympus Endosonic ultrasonic cleaner was designed by KeyMed.....”

The pages show that KML supplies technical support, servicing and repair under the KeyMed trade mark.

9) Mr Gray states that KML sends approximately 350 mail shots out each day, examples of which are exhibited at RLG4(i). He states that in the twelve months ending 31 March 2003 KML sent 32 personalised letters to hospital staff in the United Kingdom. The mail

shots relate to products bearing Olympus, Hyperbrand, Aloka, Bard and Precisor trade marks. This particular material shows no indication of any goods bearing the trade mark KeyMed. Examples of literature are exhibited at RLG4(ii). These show use of KeyMed in relation to oesophageal dilators and a disinfection system for Olympus endoscopy cameras; there is no indication of from when this material emanates. Also included in the exhibit is the front page of a catalogue for Olympus endoscopic flexible accessories from 1993, bearing the KeyMed trade mark and what looks like the front cover of a catalogue for educational videos. At RLG4(iii) are examples of patient information leaflets. Mr Gray states that over 750,000 copies of such leaflets are supplied each year. These leaflets give information about such things as naso-endoscopy and hysteroscopy. The KeyMed trade mark appears. KML is described as the supplier of Olympus endoscopy equipment in the United Kingdom and Ireland or Aloka ultrasound equipment in the United Kingdom and Ireland. Exhibited at RLG4(iv) is an example of a KML address label and a transparent plastic sleeve bearing the KeyMed trade mark. Exhibited at RLG4(v) are pages from the keymed.co.uk website downloaded on 11 January 2005 and 1 April 2005. KML is described as the exclusive distributor and service centre for the entire Olympus range of flexible and rigid endoscopes in Great Britain. It is also stated that KML is the exclusive United Kingdom distributor of Aloka diagnostic ultrasound systems. Service and repair of all products sold is carried out in purpose built service laboratories in Southend and Dublin. Installed systems are maintained by a team of field service engineers.

10) Mr Gray states that KML is “pro-active” in promoting its goods and services; the nature of its business is such that advertisements for products are not appropriate. Mr Gray states that personal contact and word of mouth are the main ways in which a company in the field of specialised medical and industrial equipment promotes its wares. He states that the main way that KML promotes its goods and services under the KeyMed name include mail shots, personal representation and participation in exhibitions and educational courses in the United Kingdom. He states that in the twelve months ending with 31 March 2003, KML employed over fifty extra staff to work “in the field” specifically to meet KML’s customers face to face everyday. Approximately thirty of KML’s existing staff make regular customer visits; over 25,000 individual visits were made by the existing staff in the same twelve month period. In the twelve month period ended 31 March 2003, KML was represented at 170 exhibitions in the United Kingdom. He exhibits a list of these exhibitions at RLG5. Mr Gray states that KML organises and sponsors a large number of educational courses and events. A list of the 96 courses held between April 2002 to March 2003 is exhibited at RLG6(i). Exhibited at RLG6(ii) are examples of flyers for courses that KML has sponsored. KML appears as the sponsor or joint sponsor of the courses. Certain of the flyers are for training courses at KML’s Southend offices. The courses relate to the medical techniques that the equipment that KML supplies is used for eg a study day for sonographers (jointly sponsored by Aloka), a fetal echo workshop (jointly sponsored by Aloka) and a colonoscopy workshop.

11) Mr Gray gives the following figures for the promotion of what he describes as KML’s goods and services:

	£ million
2002/2003	80
2001/2002	71
2000/2001	62
1999/2000	37
1998/1999	54
1997/1998	44
1996/1997	47
1995/1996	49

He states that the turnover for goods and services is as follows:

	£ million
2002/2003	118
2001/2002	106
2000/2001	93
1999/2000	86
1998/1999	8
1997/1998	69
1996/1997	68
1995/1996	69

12) Mr Gray states that KML has a broad geographical distribution of customers and distributors. Exhibited at RLG7 is a print-out of a shipments for what Mr Gray describes as a typical day; the printout was produced on 11 January 2005; the date to which the printout relates is not indicated, it of course may be that day.

13) Mr Gray states that KML has established an enormous reputation in its more than twenty five years in the field of medical and industrial equipment. He states that as a manufacturer, distributor and end-user supplier of specialist equipment as well as provider of servicing/repair and education/training, it competes with many other undertakings. Owing to the nature of the business, it is essential that KML has a reliable aftercare service. In April 2004 KML was awarded the Queen's Award for Enterprise in the category of sustainable development. Mr Gray states that KML and Olympus are recognised for research and development work. To illustrate this he exhibits at RLG9 pages from keymed.co.uk. In fact the pages relate to Olympus. There is a picture of the KML Research Centre in Southend. However, the following is written in relation to the centres of research and development:

“The Olympus medical product range benefits from a huge investment in Research and Development, based at 4 major centres – Utsugi and Ishikawa in Japan, Hamburg in Germany, and Southend-on-Sea, in the UK.”



### **Witness statement of Mike Kreuzer**

14) Mr Kreuzer is the director, technical and regulatory, of the Association of British Healthcare Industries Limited. He states that in this capacity he has much experience and knowledge of the field of specialist medical equipment as well as of the main suppliers and manufacturers thereof. He is aware of the KeyMed name. He first became aware of it approximately twenty years previously. Mr Kreuzer states that KML is a major supplier of medical technical apparatus, also supplying ancillary goods and services. There is a high degree of reliance upon “word of mouth” in this field for promotion. Mr Kreuzer believes that a large proportion of traders within the field of specialist medical equipment will have heard of KeyMed and on hearing this name would associate the name with the KeyMed range of goods and services. He exhibits a copy of a KeyMed logo; which is the same as the registered trade mark.

### **Evidence of Mr Kumar**

15) This consists of a witness statement by Mr Kumar. Mr Kumar comments upon how the trade mark K-Med was derived. He states that the trade mark was first used in June 2002. At exhibit 1 is what Mr Kumar describes as a response to the opposition by Olympus. In the response he states that he started trading under the name K\_Med in July/August 2002. He comments upon the difference of the nature of his business and that of Olympus, in particular he notes that he does not sell endoscopes. Mr Kumar comments that his business is focused on medical supplies which it buys and sells. He has a shop in central London. He comments upon the size of Olympus and its enormous turnover. Mr Kumar states that Olympus, through KML, have always been aware of his existence. The two businesses have advertised in the same journals and exhibited in the same exhibitions eg BMUS 2003 in Harrogate, BMUS 2004 in Manchester, British Congress of Obstetricians and Gynaecologists meeting in Glasgow in July 2004, annual meeting of Royal College of Surgeons of England in Harrogate in April 2004 and the annual meeting of the Association of Coloproctology of Great Britain and Ireland in Birmingham in June 2004.

16) At exhibit 2 are profit and loss accounts for K-Med. The first shows that in the period ending 31 March 2003 there was a sales revenue of £1,113,424; the value of medical goods purchased was £871,523. The second, for 1 April 2003 to 31 March 2004, shows revenues of £1,545,529 and the purchase of medical goods to the value of £1,242,711. At exhibit 3 are catalogues and flyers bearing the trade mark. These show that an enormous range of medical goods are being sold by Mr Kumar; the nature of the goods means that the material is mainly aimed at the medical profession. Taking into account the nature of use shown by Olympus, particularly pertinent is the sale of ultrasound systems and trolleys. The catalogues shown are for 2004/5 and 2004; the flyers emanate from between 2003 and 2005. One flyer includes Sony print media for thermal recording. Also included in exhibit 3 are two pages from the ‘RAD Directory’. They each show an advertisement for K-MED underneath which is an advertisement for KeyMed. The advertisements appear under the heading “imaging equipment”. Finally, this exhibit includes a copy of an advertisement for anatomical charts and models from

'The Times', it shows the name K\_Med and the domain name kmed.co.uk and the email address: info@kmed.co.uk.

17) At exhibit 4 there is a letter from the organisers of the 30th British Congress of Obstetrics and Gynaecology dated 14 July 2004; it relates to K\_Med's participation at the conference. Pages from the programme for the Association of Coloproctology of Great Britain Ireland annual meeting for 28 June to 1 July 2004 shows K\_Med and KML to have both been exhibitors at the meeting; K\_Med at stand 61B and KML at stands 21A, 22A, 24A and 25A. A list of exhibitors at the 36th BMUS Annual Scientific Meeting and Exhibition in Manchester from 8 – 10 December 2004 shows KML have stand no 21 and K-MED stand no 22. Mr Kumar states that this shows that Olympus would have been aware of his trading name. He states that he has spoken to representatives of KML on more than one occasion and no reference to his trading name was made. Mr Kumar dealt with KML when obtaining quotations for equipment for customers. A copy of a list of exhibitors for the Royal College of Surgeons Exhibition in Harrogate in April 2004 is exhibited. It shows K-Med and KeyMed. Mr Kumar states that the programme details the differences between the two undertakings:

“Transanal Haemorrhoidal Dearterialisation. K-MED is the sole Distributor for the UK and Ireland of the PS-02 System manufactured by Anthea SRL, Bologna. PS-02 is more than a System – it is a complete, very simple Procedure for the painless surgical obliteration of 2nd, 3rd and even 4th degree haemorrhoids. Using Doppler Ultrasound techniques, the Surgeon can accurately locate the terminal branch of the Superior Haemorrhoidal Artery to enable total obliteration by suture and more importantly, to confirm successful obliteration. The Procedure can be effected on a Day Case basis and the Patient can return to normal activities within 24 hours.”

“On the KeyMed stand this year, the entire endoscopic and laparoscopic range from Olympus, including: Endoscopic Ultrasound, VISERA, EndoEye, HIQ+ and the world's first high definition video endoscopy system “EVIS LUCERA”. Utilising state of the art HDTV, flat screen monitor technology and sophisticated processing power to highlight subtle changes in mucosal colour based on the index of Haemoglobin or IHb, “EVIS LUCERA, is NOT just an upgrade.”

Also exhibited is a copy of parts of a catalogue for the 35th World Forum for Medicine in Düsseldorf of 19 – 22 November 2003; this shows that K\_Med was exhibiting there.

18) At exhibit 5 there are items of stationery bearing the trade mark.

19) Mr Kumar states that for the periods ending 31 March 2003 and 31 March 2004, £49,720 and £94,140 were spent respectively on promoting his services.

## **DECISION**

### **Preliminary issue**

20) The official letter of 10 May 2006 advised that, if there was to be a decision from the papers, written submissions should be received by 21 June 2006. The submissions on behalf of Olympus were received on that date. Mr Kumar's representatives did not initially file submissions. However, having seen the submissions on behalf of Olympus, submissions were filed on 30 June 2006. Olympus has objected to the consideration of the submissions on behalf of Mr Kumar on the basis that no extension of time request was filed and that they attempt to bring new evidence into the case. There are two attachments to the submissions on behalf of Mr Kumar; a copy of a search and advisory report and a letter from Mr Kumar to KML. These represent evidence and so if they were to be brought into the proceedings a formal request to file additional evidence was necessary. No such request has been received. I will, therefore, not take into account the two attachments. (The two attachments, anyway, would have no influence upon the outcome of the case.)

21) Submissions are not governed by the Trade Marks Rules 2000 (as amended). There is no need for a request for an extension of time to be made. The time period is set so that the hearing officer will not consider the case until the sides have had an opportunity to make submissions. There is no reason that they cannot be taken into account after the date set; if they are received after the date set, there is a risk that the decision will be issued before the submissions are considered. So it is to each side's advantage to submit any submissions by the date set. It is open to a side to request a hearing at any period until the decision was issued; and such a request could not be denied. At a hearing submissions would, obviously be made. The submissions on behalf of Mr Kumar will, therefore, be taken into account.

### **Evidence of use**

22) Mr Kumar has accepted the claim of use in respect of the registered trade marks. This relates to section 6A of the Act and so is only pertinent to the grounds of opposition under section 5(2)(b) of the Act (section 6A relates to sections 5(1), 5(2) and 5(3) of the Act). Consequently, in relation to the section 5(2)(b) objection, the specification of the earlier trade marks that will be considered is as claimed by Olympus.

23) The grounds of objection under section 5(4)(a) are a different kettle of fish. It is necessary to decide what, if any, goodwill Olympus has and in relation to what services. There is scant evidence of use of KeyMed as a trade mark for goods. The only use shown on goods is in RLG4(ii) in relation to oesophageal dilators and an endoscopy disinfection system. There is no indication as from when this use emanates. In relation to the oesophageal dilators there is a reference to a paper from 1989 but it is not clear that this related to goods bearing this trade mark or just particular type of goods. There is some indication of some goods being manufactured by KML in Southend, a copy of a webpage of 1 April 2005 exhibited at RLG3 reads:

“Videoscopes, fiberscopes, light sources, processors and EndoTherapy devices are made by Olympus factories in Aizu, Shirakawa, Hinode and Aomori, Japan; rigid endoscopes and accessories by Olympus Winter & Ide, Hamburg, Germany; and endoscopic ancillary products by KeyMed, Southend-on-Sea, UK.”

This is clearly for limited goods and indicates that the goods bear the Olympus trade mark. There is an absence of evidence to support a claim to a goodwill in relation to the use of KeyMed for actual equipment by the date of the filing of the application. The evidence shows that KeyMed is used as a trade mark in relation to the distribution, sale, repair and technical support of goods bearing other trade marks, mainly Olympus and Aloka. There is also some use of Sony in respect of video monitors, recorders and printers for integration with endoscopic, surgical and ultrasound systems. The equipment, under other trade marks, that KML is supplying can be seen in paragraph 8, along with the associated trade marks. The equipment can broadly be categorised as endoscopy and ultrasound equipment. The claim to use in relation to goods brings to mind the comments of Jacob J in *Euromarket Designs Inc v Peters and Crate & Barrel Ltd* [2001] FSR 20.

“For instance, if you buy Kodak film in Boots and it is put into a bag labelled "Boots", only a trade mark lawyer might say that Boots is being used as a trade mark for film.”

The turnover figures that Olympus gives have to be put into the context that they partly relate to goods sold under other trade marks. The figures do lead to some other questions being raised. Is the sudden drop in sales in 1998/1999 a typing error? The figures for the promotional activities of Olympus in relation to KeyMed seem enormous by any standards; even more so when considering that KML says it does little promotion in the conventional way and comparing them to the turnover for goods and services. These figures have not been challenged and must be accepted on face value, however, this promotional expenditure will not only relate to KeyMed but also to other brands such as Olympus and Aloka.

24) From the evidence, I have no doubt that KML had a goodwill by reference to the sign KeyMed in various forms in relation to the sale, distribution, servicing and repair of endoscopy and ultrasound equipment and related apparatus. This goodwill will have existed both at the time of the filing of the application and also at the date Mr Kumar started trading. Mr Kumar gives conflicting dates as to when he started trading by reference to K\_Med; June 2002 and July/August 2002.

### **Likelihood of confusion – section 5(2)(b) of the Act**

25) According to section 5(2)(b) of the Act 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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

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

26) The trade marks which Olympus relies upon are earlier trade marks within the terms of the Act. It is noted that the Community trade mark is not in the name of Olympus. Section 38(2) allows “any person” to oppose; an opponent can rely upon trade marks in the ownership of others, there is no requirement for a locus standi in the United Kingdom. Nothing turns upon this matter anyway as the United Kingdom registration is in the name of Olympus, is for the same trade mark as the Community registration and claims use upon the same goods.

27) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77, *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723 and *Vedial SA v Office for the Harmonization of the Internal Market (trade marks, designs and models) (OHIM) C-106/03 P*.

### **Comparison of trade marks**

28) The trade marks to be compared are:

**Olympus’s trade mark:**



**Mr Kumar’s trade mark:**



29) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). The visual, aural and conceptual

similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). “The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

30) The word med is common to both trade marks. In the context of the goods and services it will readily be seen as relating to medical. There is no necessity for a prefix or suffix to exist on its own in trade or in dictionaries to be perceived by the relevant public as being descriptive (see *Eurohypo AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-439/04). A non-distinctive element will have an effect on the consideration of the similarity of the trade marks. In *José Alejandro SL v Office for Harmonization in the Internal Market (Trade Marks and Designs), Anheuser-Busch Inc Intervening*(Case T-129/01) [2004] ETMR 15 the CFI stated:

“The Court notes that the public will not generally consider a descriptive element forming part of a complex mark as the distinctive and dominant element of the overall impression conveyed by that mark.”

This is a view that the CFI has also upheld in *Koubi v OHIM – Flabesa (CONFORFLEX)* Case T-10/03, paragraph 60 and *Grupo El Prado Cervera v OHIM – Debuschewitz (CHUFAFIT)* Case T-117/02, paragraph 51. In *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04 the CFI stated:

“59. It should be noted in this connection that the fact that one component of the signs at issue is identical does not lead to the conclusion that the signs are similar unless it constitutes the dominant element in the overall impression created by each of those signs, such that all the other components are insignificant (*MATRATZEN*, paragraph 33).”

Mr Kumar’s trade mark includes a device of a globe. This cannot be ignored but I consider that it is very much subsidiary to the word element of the trade mark. In the context of the goods the dominant and distinctive elements of the trade marks are the word Key and the letter K.

31) The trade marks share the word med. One will be pronounced KeyMed and the other Kaymed; there is clearly a good deal of phonetic similarity between the two trade marks. Visually the trade marks share the word med and the letter K at the beginning. Mr Kumar’s trade mark includes the device of a globe. I consider that although there are

visual similarities that the trade marks are not overall visually similar; having a similarity cannot be conflated into being similar. Conceptually, both trade marks share the non-distinctive word med. The word key and the letter k clearly have conceptual associations but I doubt that the consumer is going to analyse them but will rather just consider the trade marks as a whole. So, there is neither conceptual similarity nor dissimilarity.

32) The various parts of the trade marks have to be analysed, however, it is necessary to bear in mind that ultimately the trade marks must be considered in their entirety. In considering the matter of similarity, the perception of the average consumer has to be taken into account; that perception will to some extent be dependent upon the nature of the goods. How carefully will the trade marks be considered? It is also necessary to also take into account the concept of imperfect recollection, trade marks are seldom compared directly. There are clear visual differences between the trade marks, the conceptual similarity rests with a non-distinctive word; however, there is a high degree of aural similarity. **Owing to this aural similarity it is my finding that the trade marks are similar on this plane if upon no other.**

### **Similarity of goods and services**

33) In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* the European Court of Justice held in relation to the assessment of the similarity of goods that the following factors, inter alia, should be taken into account: their nature, their intended purpose (the original incorrect translation of 'Verwendungszweck' in the English version of the judgment has now been corrected), their method of use and whether they are in competition with each other or are complementary. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

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

In relation to the terms used in specifications Jacob J stated:

“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.”

Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

I take on board the class in which the goods or services are placed is relevant in determining the nature of goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34). Although it dealt with a non-use issue, I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 are also useful to bear in mind:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. 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.”

The goods of which have to be considered are those for which use has been accepted:

*endoscopy apparatus and instruments; fibrescopes; all for medical use; photographic apparatus adapted for in vivo medical use; furniture adapted for medical use; dilation catheters; bronchoscopy apparatus and instruments; laparoscopy apparatus and instruments; trolleys adapted for medical use; forceps; scissors for surgical use; probes for medical use; diathermy apparatus; cannulae; trocars; uterine instruments; oesophageal dilation apparatus and instruments; prosthetic tubes; surgical apparatus for introducing prosthetic tubes into the body; cystoscopy apparatus and instruments; ultrasonic cleaners; medical suction pumps; CCTV apparatus adapted for in vivo medical use; video endoscopes for medical use; endoscope washing and disinfecting apparatus and instruments; endoscopes and instruments for minimally invasive surgery; light sources for medical use; endoscopic insufflation gas regulators; parts and fittings for all the aforesaid goods; all included in Class 10.*



The services of the application are:

*the bringing together, for the benefit of others, of a variety of goods, enabling customers conveniently to view and purchase those goods in a retail showroom, through a mail-order catalogue or by purchasing on-line through an Internet website, all specialising in medical and healthcare equipment and supplies.*

34) The issues arising from the clash between retail services and goods were considered by the hearing officer in BL O/319/05. Although this was considering a specification for retail services that was not limited, I consider that the considerations of the hearing officer are still pertinent in this case:

“39. In *Praktiker Bau - und Heimwerkermärkte AG*, Case-418/02, the ECJ was asked to consider the following questions:

“1. Does retail trade in goods constitute a service within the meaning of Article 2 of the directive? If the answer to this question is in the affirmative:

2. To what extent must the content of such services provided by a retailer be specified in order to guarantee the certainty of the subject-matter of trademark protection that is required in order to:

(a) fulfil the function of the trade mark, as defined in Article 2 of the directive, namely, to distinguish the goods or services of one undertaking from those of other undertakings, and

(b) define the scope of protection of such a trade mark in the event of a conflict?

3. To what extent is it necessary to define the scope of similarity (Article 4(1)(b) and Article 5(1)(b) of the directive) between such services provided by a retailer and

(a) other services provided in connection with the distribution of goods, or

(b) the goods sold by that retailer?”

40. In answer to the first two questions the Court indicated that:

“49. .... for the purposes of registration of a trade mark covering services provided in connection with retail trade, it is not necessary to specify in detail the service(s) for which that registration is sought. To identify those services, it is sufficient to use general wording such as ‘bringing together of a variety of goods, enabling customers to conveniently view and purchase those goods’.

50. However, the applicant must be required to specify the goods or types of goods to which those services relate by means, for example, of particulars such as those contained in the application for registration filed in the main proceedings (see paragraph 11 of this judgment).

51. Such details will make it easier to apply Articles 4(1) and 5(1) of the directive without appreciably limiting the protection afforded to the trade mark. They will also make it easier to apply Article 12(1) of the directive, which states that ‘[a] trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the ... services in respect of which it is registered, and there are no proper reasons for non-use’.

52. The answer to the first two questions referred for a preliminary ruling must therefore be that the concept of ‘services’ referred to by the directive, in particular in Article 2, covers services provided in connection with retail trade in goods. For the purposes of registration of a trade mark for such services, it is not necessary to specify the actual service(s) in question. However, details must be provided with regard to the goods or types of goods to which those services relate.”

41. In relation to the third question, the Court took the view that the referring court had not shown it was necessary to rule on the concept of similarity between retail services and goods and that it had no jurisdiction to rule on hypothetical problems. Accordingly, the third question was declared to be inadmissible.

42. The opponent’s CTM registration containing, inter alia, an unrestricted retail services specification was obtained prior to the ECJ’s judgment in *Praktiker Bau*. An issue arises as to how such a specification is to be interpreted.

43. I note that the applicant’s written submissions claim that (following *Praktiker Bau*):

“5.3.2 The earlier CTM is invalidly registered in that it simply lists retail and mail order services; the latter being simply an alternative form of retailing. The evidence filed clearly points to the Opponent being a footwear retailer. The offering of sunglasses is merely an incidental product to the main activity of the Opponent. At best, an assumption must be made as to retailing footwear. Accordingly, the retail services should be construed as those relating to footwear. In any event, the Opponent failed to adduce evidence to establish that there is a similarity between sunglasses and retail services.”

44. The approach thus advocated appears to be based on the principle that the notional scope of the specification should be presumed to be co-extensive with the

actual use shown. That seems to me to be inconsistent with the normal principle that one should give full effect to the wording used in a specification consistent with the natural meaning of those words (see *Beautimatic International v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267). I can see no basis, therefore, for artificially restricting the scope of the term 'retail services' though that is not of course to say that what is shown by a party's own use is irrelevant.

45. In Communication No. 3/01 the President set out the Community Trade Mark Office's position in relation to retail services (this, of course pre-dates the *Praktiker Bau* judgment). At that time it was indicated that that Office did not accept the view expressed in the *Giacomelli* case that a reference to the field of activity is a legal necessity though it was suggested that such a limitation to the field of activity or nature of the retail service is desirable. The position adopted with respect to conflicts was said to be:

“The limitation of applications and registrations for such services by indicating the field of activity of retail or other selling services will reduce the likelihood of conflicts because the risk of confusion between, for example, retail sales of meat on the one hand and of electrical goods on the other is non-existent. As regards conflicts between services and goods, the Office takes the view that, while a "similarity" between goods sold at retail and retail services cannot be denied in the abstract, the risk of confusion is unlikely between retail services on the one hand and particular goods on the other except in very particular circumstances, such as when the respective trade marks are identical or almost so and well-established in the market. Each case that arises will of course be dealt with on its own merits. Given that situation those requesting registration of marks for retail (or similar) services should not expect that they thereby obtain protection against the use or registration of marks for goods. If such protection is required as well, it is clear that registration for goods must be requested as well.”

46. The Community Office's position in relation to conflicts between retail services and goods was broadly endorsed in paragraph 99 of the Advocate General's Opinion in *Praktiker Bau* (unfortunately that Opinion is not available in English on the curia website) but as noted above the issue was not dealt with by the ECJ itself.

47. Against this background a number of possible approaches to the interpretation of a retail services specification appear to present themselves. One view of the matter is that, if the term is unrestricted (e.g. by type of goods or type of retail outlet) then it must be taken to embrace the retail sale of all or any goods. On that basis, and assuming identical or closely similar marks, goods of any kind might be thought to conflict with the term retail services.

48. An alternative view of the matter is that, if the proprietor of a retail services specification has not indicated any particular area of trade then the presumption must be that his trade is of a broad and certainly non-specialist nature (in other words he would simply be considered to be a general trader). In those circumstances it might be argued that there is no compelling reason to suppose that consumers would make an association between that service and products branded with an identical or closely similar mark. Or if they did make an association they would either regard it as coincidental or, at least, not indicative of a common trade source, save perhaps where highly distinctive marks were involved.

49. Applying those tests would be likely to produce quite different outcomes in any particular case. It remains to be seen what view the ECJ will take of the matter. In any event the circumstances of individual cases are likely to have to be taken into account.

50. Accepting for present purposes that the unrestricted term retail services lends itself to a broad interpretation, and if a polarised view of the matter is not considered appropriate, the degree of similarity between such services and any particular goods item or categories of goods is likely to turn on a number of considerations. It seems to me that these would include:

- how specialised the goods are. The more narrowly focussed and specialised they are the less likely it is that consumers would expect to see the same or closely similar sign also in use as a retail service mark. Thus it is not uncommon in the clothing trade for retailers to offer own brand clothing. On the other hand, whilst retailers will sell, for instance, rubber bands, there is no specialist trade in such goods nor to the best of my knowledge is there a widespread practice of offering such goods under the same brand name as the retail source;
- whether it is common practice to have retail outlets dedicated to the goods in question;
- whether consumers would expect to encounter the same mark in use both in relation to the retail service and in relation to the goods (that is own brand goods) or whether traders in that particular goods area normally only sell third party brands;
- whether the retail trade is one where the goods themselves may not normally carry a mark (meat in a butcher's shop for instance) and therefore, the customer may make a particular association between the retail service and the goods as distinct from retail services where the goods themselves are prominently branded. An opponent's own trading activities and, in particular, any existing reputation it possesses can also be expected to inform and guide the debate."

35) Olympus submits that the retail of goods is complementary to their manufacture as there would be little point in making the goods if they were not sold or supplied to the customer. This is obviously the case, but the very substance of the submission exposes that such a link in itself does not establish a great deal of similarity, as all goods are made to be sold. Olympus refers to the judgment of the CFI in *Alecansan, SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-202/03*:

“46 As regards the complementary nature of the goods and services, it must be pointed out that, according to the definition given by OHIM in point 2.6.1 of Part 2, Chapter 2, of the Opposition Guidelines of 10 May 2004, goods or services are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods or for the provision of those services lies with the same undertaking (see also to that effect Case T-85/02 *Díaz v OHIM* [2003] ECR II-4835, paragraph 36).”

This finding leads to the consideration of the sort of criteria that the hearing officer set out above, would the customer consider that the goods emanated from the same source. The goods of the earlier registration are specialist. The page from the ‘RAD Directory’, exhibited at exhibit 3 to Mr Kumar’s statement, shows various companies involved directly in the selling of their own products eg Siemens, Toshiba, Kodak Health Imaging and GE Healthcare. As the equipment may require a good deal of expert knowledge in both use and servicing, this is hardly surprising. The goods of Olympus are such that the client is likely to require the assurance of an expertise. Of course, in the case of Olympus goods the trade mark used in relation to the act of selling them is completely different. However, this does not gainsay what happens in relation to other traders as shown in the ‘RAD Directory’ exhibit. Olympus refers to their goods and services sharing the same channel of trade. There does not appear, to me, to be a channel of trade for retail services; they are a channel of trade. Effectively, Olympus is trying to use its argument in relation to the complementary relationship in another guise. It seems to me from the ‘RAD Directory’ exhibit that the criteria set out by the hearing officer above, are satisfied. Mr Kumar comments on the different nature of the goods that he sells. However, his specification will cover the sale of endoscopy products; it is the specification that has to be considered; not current use or marketing strategies. This is the position that has been upheld by both the ECJ and the CFI. In *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-147/03* the CFI stated:

“104 Consideration of the objective circumstances in which the goods covered by the marks are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is a prospective examination. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that

is, the aim that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not, and naturally subjective, of the trade mark proprietors.....

107 It follows that by taking into consideration in the assessment of the likelihood of confusion between the marks the particular circumstances in which the goods covered by the earlier mark are marketed, the temporal effect of which is bound to be limited and necessarily dependent solely on the business strategy of the proprietor of the mark, the Board of Appeal erred in law.”

(Also see *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-346/04 at paragraph 35 and *Daimlerchrysler AG v. Office for Harmonisation In the Internal Market (Trade Marks and Designs)* [2003] ETMR 61 at paragraph 46.)

**36) I come to the conclusion that there is a degree of similarity between the goods for which use has been claimed and the services of the application.**

#### **Conclusion in relation to likelihood of confusion**

37) In considering whether there is a likelihood of confusion, various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In this case there is no overwhelming similarity between the respective goods and services. I have found that the respective trade marks are only similar on an aural basis. The ECJ held in *Mühlens GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case C-206/04 P:

“21 It is conceivable that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.

22 Therefore, one cannot deduce from paragraph 28 of the judgment in *Lloyd Schuhfabrik Meyer* that there is necessarily a likelihood of confusion each time that mere phonetic similarity between two signs is established.”

The ECJ went on to state:

“35 That global assessment means that conceptual and visual differences between two signs may counteract aural similarities between them, provided that at least one of those signs has, from the point of view of the relevant public, a clear and specific meaning, so that the public is capable of grasping it immediately (see, to that effect, Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-0000, paragraph 20).”

In *Simonds Farsons Cisk plc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-3/04 the CFI held:

“56 As OHIM has wisely observed, the degree of phonetic similarity between two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods (see, to that effect, Case T-292/01 *Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 55).”

In this case the application does not cover goods but services. It is possible that a purchase would be made purely by telephone; however, this seems to be unlikely. Even if using the telephone, a prospective purchaser is likely to have a catalogue before him or her. Of course, in making a telephone call, the potential purchaser is likely to have a directory before him or her. I consider that the public is likely to primarily perceive the trade marks visually. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion (*Sabel BV v Puma AG*). The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (CFI Case T-79/00 *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, the judgment of 4 May 1999 of the ECJ in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585). The earlier trade mark includes the word med, which is not distinctive for the goods. However, it is the trade mark as a whole that has to be considered. One might analyse the trade mark to mean key medical equipment. However, this appears strained to me and the purchaser is unlikely to spend his or her time in analysing the trade mark. I am of the view that the trade mark has a reasonable degree of distinctiveness. There is no evidence of use of the trade mark on the goods of the earlier registrations prior to the date of application for Mr Kumar's trade mark; therefore, Olympus cannot benefit from any reputation in relation to goods. Mr Kumar's representatives submit that his trade mark has enhanced distinctiveness through use. This seems to represent a misunderstanding of the judgment of the ECJ in *Sabel BV v Puma*

AG, the judgment refers to the reputation of the an earlier trade mark as potentially of significance; not of the application. The effect of reputation in *Sabel BV v Puma AG* is that it may make a weak earlier mark strong, giving it more trade mark significance. In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* the effect of a reputation of an earlier trade mark is potentially to assist an earlier right holder where goods or services in consideration are similar but only to a limited degree.

38) The earlier trade mark enjoys a penumbra of protection as well as an umbra. That is why it is protected for similar goods and services. However, it is necessary to take into account where the intersection between the respective goods and services is, in order to determine the nature of the purchasing decision and the purchaser. The intersection relates to the sales of the goods for which use has been claimed. The sales of such goods is not on a par with the sale of a plaster or an aspirin. There will be an educated and careful purchasing decision involved. A decision that will take into account, as I have noted above, the visual impression of the trade mark. The average consumer for the intersecting goods and services will be a specialist.

39) Mr Kumar refers to the lack of confusion in the market place. There is, of course, solid case law that lack of evidence of confusion tells one very little - *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 and *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41. In the former case Millet LJ stated:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

In this case there is little evidence of use of goods by Olympus so the consideration being made is based upon notional and fair use of the goods for which use has been claimed, and accepted. The full gamut of use of the application and the earlier trade mark have to be considered.

**40) Taking into account the degrees of similarity between the trade marks, the degree of similarity between the goods and services, the distinctiveness of the earlier trade mark, the nature of the purchasing process of the intersecting services and the nature of the purchaser of the intersecting services, I have come to the conclusion that there is not a likelihood of confusion.**

#### **Passing-off – section 5(4)(a) of the Act**

41) Section 5(4)(a) of the Act states:

“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,”



I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *Wild Child case* [1998] RPC 455. In that decision Mr Hobbs stated that:

"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:

"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;
- (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
- (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."

.....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:

"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:

- (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.

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. 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;

- (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;
- (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.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

42) The first matter that I have to decide is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

Consequently, the material date cannot be after the date of application. In this case Mr Kumar gives conflicting dates as to when use of his trade mark commenced; he states that it was in June, July or August 2002. The evidence shows use of the trade mark for the services of the application. A copy of the profit and loss account for the year ending 31 March 2003 is exhibited. As far as I can see, the earliest exhibited indication of use was at the 35th World Forum for Medicine in Düsseldorf in November 2003; which of course is outside the jurisdiction. The profit and loss account for 31 March 2003 indicates that a business had been running for some time. I consider that owing to the lack of clarity relating to first use, I have to give the benefit of any doubt to Olympus and so will take the end of August 2002 as the date use commenced and so the date of the behaviour complained of. So, for passing-off purposes, the material date will be 31 August 2002.

43) I decided in paragraph 24 that KML has a goodwill by reference to the sign KeyMed in various forms in relation to the sale, distribution, servicing and repair of endoscopy and ultrasound equipment and related apparatus. The statement of case is limited to the manufacture and supply of specialised medical and industrial equipment. So for the purposes of this case, I can only consider what would be covered by the term supply; there being no establishment of manufacture by reference to the sign relied upon at the material date or the date of application. Supply is a broad term that will encompass sale and distribution and so the services that I will consider are the sale and distribution of endoscopy and ultrasound equipment and related apparatus. (If the whole of the goodwill was taken into account it would make no difference to the case of Olympus. Its case

would be no better owing to the proximity of the respective services.) This goodwill will have existed both as of 31 August 2002 and the date of application; and considerably before that date.

44) Mr Kumar has commented upon Olympus's knowledge of his business; he states that he has had contact with KML and gives evidence about attendance at the same events as him. He notes that there has never been any complaint, prior to this opposition. The two businesses, according to the unrebutted evidence of Mr Kumar, were present at the same events: BMUS 2003 in Harrogate, BMUS 2004 in Manchester, British Congress of Obstetricians and Gynaecologists meeting in Glasgow in July 2004, annual meeting of Royal College of Surgeons of England in Harrogate in April 2004 and the annual meeting of the Association of Coloproctology of Great Britain and Ireland in Birmingham in June 2004. At the BMUS meeting in Manchester the two undertakings were side by side. Olympus has put in no evidence in reply to the statement of Mr Kumar about its knowledge of his business. That KML was at the same events does not necessarily mean that its staff were aware of Mr Kumar. It would depend on the size of the event and what representatives of KML did. Mr Kumar does not state when he contacted Olympus nor whom he contacted; any such contact might have been by reference to Mr Kumar's own name rather than the trade mark which he uses. The two undertakings appear next to each other in the 'RAD Directory'. However, the pages exhibited are undated, more importantly there is no indication as to the nature of the business of Mr Kumar other than it falls under the general heading imaging equipment. There is no evidence either that KML would have looked at their reference in the directory; their interest may have been limited to checking galley proofs. It is difficult, however, to conclude that KML was not aware of Mr Kumar after the two had stands next to each other at the 36th BMUS Annual Scientific Meeting and Exhibition in Manchester from 8 – 10 December 2004. However, Olympus had started these opposition proceedings three months prior to this; so as of December 2004, it can hardly be inferred that Olympus was content with Mr Kumar's use of his trade mark. What can be certainly said, is that when Olympus was aware of Mr Kumar's application it did take action by filing of the current opposition. The evidence does not support any contention that Olympus was content with the use of Mr Kumar's trade mark for the services of the application or by an absence of action gave tacit approval for such use.

45) I have taken 31 August 2002 as the date of first use of Mr Kumar's trade mark. The opposition was filed on 10 September 2004, some two years later. Pumfrey J in *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 commented on a gap of time between first use of a sign and the launching of an action to restrain use of the sign:

“67 Against these findings of fact, it is possible to deal with the complaint of passing-off shortly. It must fail. Mr Alavi has been trading under the style complained of since at least 1985. He had entered the market by 1978. He did not make any relevant misrepresentation then and he had not, down to 1997 essentially changed the manner of his trading. As Oliver L.J. (as he then was) said in *Budweiser (Anheuser-Busch v. Budejovicky Budvar)* [1984] F.S.R. 413 at 462):

“The plaintiffs' primary submission is that the learned judge was wrong in regarding the material point of time at which he should consider the matter as the date of the writ. Obviously the plaintiffs must, to succeed, have a cause of action at that date, but Mr Kentridge submits, and Mr Jeffs does not contest, that it cannot be right to look simply at that date to see whether a passing off is established. In particular to test by reference to that date whether plaintiff and defendant have concurrent reputations would simply mean that no remedy lay against a defendant who had successfully passed off his goods as the plaintiffs', so as to establish a reputation for himself.”

This is consistent with what was said by Lord Scarman, giving the opinion of the Board in *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd* [1981] R.P.C. 429 at 494: the relevant date in law is the date of the commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced.”

The period of Mr Kumar’s trading and the scale of his trading do not establish that at the time of the filing of the opposition, his use of the trade mark could no longer constitute an act of passing-off. Christopher Wadlow in ‘The Law of Passing-Off’ (third edition) at 9-105 comments upon the basis for a claim of acquiescence:

“In *Wilmot v Barber* Fry J. identified five *probanda* to be satisfied if acquiescence were to be made out. The law is now more flexible, but the five factors all continue to be relevant though they may no longer deserve the original name. In terms of the situations likely to arise in passing-off they are:

1. The defendant must have mistaken his legal rights;
2. He must have altered his position on the strength of his mistaken belief;
3. The claimant must have known of his right to restrain the defendant;
4. The claimant must have known of the defendant’s mistaken belief;  
and
5. The defendant, in altering his position, must have been directly or indirectly encouraged by the claimant.”

Later on Mr Wadlow writes:

“The second and last of Fry L.J.’s *probanda* probably remain essential, the others are relevant but not individually necessary.”

I cannot see that any of the five *probanda* are satisfied. Mr Kumar cannot look to acquiescence as a defence.

46) Mr Kumar challenges that he and KML are in the same field of activity. They are both selling medical equipment. They even sell some of the same type of medical equipment; ultrasound apparatus. Furthermore, they appear under the same heading in the ‘RAD Directory’ and one of Mr Kumar’s flyers is for Sony print media and KML sell Sony display and recording equipment. I have no doubt that the two undertakings are involved in exactly the same field of activity.

47) Is the trade mark likely to cause confusion or deception? Will the public concerned believe that Olympus or KML is responsible for the services that Mr Kumar supplies? There is an effective identity of services; which is not the case in relation to the likelihood of confusion. How the sign and trade mark will be perceived in trade will be the same as for the section 5(2)(b) grounds. Aural use is unlikely to be predominant; it is the visual effect that will be more important. Visually, there are such differences between the sign and trade mark that I cannot see that there is likely to be any confusion or deception. One must consider the actual clientele that Olympus has; passing-off is rooted in the realities of the nature of the use. Those using the services of KML will have been making careful and educated purchasing decisions, the goods they are purchasing are not for the non-professional; taking into account the differences between the trade marks it is difficult for me to conceive that the public concerned with the services of KML would believe that the services of Mr Kumar were in any way related.

48) Mr Kumar has been using his trade mark for the services of the application; obviously KML has been using its sign. There are no examples of confusion. The situation is different from that in relation to section 5(2)(b) where one is concerned with all the potentialities of use and so an absence of confusion tells one little. Passing-off is about the realities of the actual trade. The trade mark and sign have been out in the market, being used for the same clientele, and Olympus has no evidence of confusion. Such lack of confusion must certainly cannot be determinative of my decision. However, it does fortify me in the view that I have reached that there is unlikely to be confusion or deception.

**49) In the absence of confusion or deception the case in relation to passing-off must fail.**

## **COSTS**

**50) Ajit Kumar having been successful is entitled to a contribution towards his costs. I order Olympus Kabushiki Kaisha to pay Ajit Kumar the sum of £1,000. 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 August 2006**

**David Landau  
For the Registrar  
the Comptroller-General**