

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION No. 2226666
IN THE NAME OF
OMEGA ENGINEERING INC.**

**AND IN THE MATTER OF
OPPOSITION No. 93220 THERETO
BY OMEGA SA (OMEGA AG) (OMEGA LTD)**

**AND IN THE MATTER OF
APPEALS TO THE APPOINTED PERSON
AGAINST A DECISION OF DR. LAWRENCE CULLEN
DATED 4 JUNE 2008**

DECISION

Background

1. On 20 March 2000, Omega Engineering Inc. (“Engineering”) applied to register the designation OMEGA.CO.UK for use as a trade mark in respect of various goods and services in Classes 9, 14, 16, 35, 37, 40 and 41. Engineering’s Trade Mark Application number 2226666 was published in the Trade Marks Journal on 26 November 2004.
2. On 22 February 2005, Omega SA (Omega AG) (Omega Ltd) (“Swiss”) partially opposed the application for some of the goods and services specified in Classes 9, 14, 37 and 40.
3. By the time the opposition came to be heard before Dr. Lawrence Cullen, the Hearing Officer acting for the Registrar, on 26 April 2007, the opposed goods and services had been narrowed down by agreement between the parties to the following:

Class 9

Apparatus for checking and measuring distance; apparatus for acquiring, transmitting, managing and distributing information and data; computer controlled apparatus for checking and controlling the measurement of distance; ... all for science and/or industry

Class 37

Technical consultation services; instrument testing and technical support services, namely troubleshooting of instrument problems in person and via fax, computer and telephone; instrument calibration, field services, maintenance contracts, equipment installation and testing; customer training; system upgrades; telephone and on technical support and assistance; instrument maintenance; ... all being for science and/or industry

Class 40

Engineering design services for others in the field of measurement and control; ... all the afore going services for science and/or industry.

4. The opposition was based on a number of Swiss's earlier trade marks within the meaning of section 6(1)(a) and (2) of the Trade Marks Act 1994. However, given Engineering's amended specifications, Swiss relied at the hearing on the earlier trade marks described below, which it believed to be most relevant:
5. Swiss' three earlier UK registrations relied on were for the OMEGA figurative mark:



- (a) UK 2052200, filing date 15 January 1996, registered 6 May 2005

Class 9

Electrical and electronic apparatus and instruments for collecting, processing, assessing and transmitting time-related data; public information display systems; computers and computer software for use in connection with time measuring and recording and with public display systems; parts and fittings for the aforesaid goods; but not including any such goods intended for scientific, educational or industrial applications and not including any such goods for photographic lighting purposes or telephone apparatus and not including computer programs for monitoring and managing computer systems performance and utilisation and not including computer programs for optimising mathematical expressions, for predictive or descriptive modelling; and not including computer software for processing seismic data and related instruction manuals, for use in services to the oil and gas industries relating to exploration, evaluation and monitoring of oil and gas formations and seismic data processing services

- (b) UK 699057, filing date 15 June 1951

Class 9

Measuring and signalling apparatus and instruments, all for use in sport; but not including calculating machines nor instruments and apparatus for measuring, signalling and checking (supervision) of heat and temperature for scientific and industrial use

(c) UK 1456848, filing date 27 February 1991

Class 37

Maintenance and repair of measuring, checking, optical and signalling apparatus and instruments, all the goods being maintained and repaired being for use in sport; maintenance and repair of horological and chronometric instruments and of public information display apparatus and instruments; information services relating to all the aforesaid; all included in Class 37; but not including maintenance and repair of heat and temperature measuring, checking and signalling apparatus and instruments, all for scientific and industrial use

6. Swiss' earlier CTM Application 226027, OMEGA, relied on was successfully opposed by Engineering in Class 9 where it covered the following goods:

Clocking device installations, installations for checking, measuring time and distance, used for sporting activities; installations for acquisition, transmission, management and dissemination of information, used in particular for transport, advertising and banking services; data acquisition peripheral devices, data transmission equipment, equipment for signalling and displaying data, in particular for sporting activities and transport, advertising and banking services; but none of the aforesaid goods being for apparatus used in industry and/or science for measuring and controlling variable parameters such as temperature, pressure, force, load, vibrations, electrical conductivity, liquid levels, acidity, humidity, deformation and flow.

I understand that an appeal by Swiss is pending before the OHIM Boards of Appeal (number R 0364/2009-1). The Hearing Officer noted that CTM Application number 226027 was subject to an opposition in Class 9 (page 6). However, he did not record that any decision to refuse goods or services in the Application in suit, to the extent that it was based on Swiss' CTM 226027 in Class 9, must be provisional only.

7. The remaining goods and services in Swiss' CTM Application number 226027, OMEGA, were divided out on 9 October 2008 and registered under CTM number 7320229 on 16 December 2008. The services in CTM 7320229, which Swiss relied upon at the opposition hearing before Dr. Cullen, were:

Class 37

Clock and watch repairs

Class 42

Creation of designs and models; research and development in the field of measuring and checking time and distance, management and dissemination of information, in particular for use in transport, advertising, banking and sport; computer programming used in clocking device installations, installations for checking, measuring time and distance and in installations for acquisition, transmission, management and dissemination of information; all the aforesaid services relating in particular to transport, advertising and banking and sporting activities; but none of the aforesaid goods being applied to science and industry and relating to measuring and controlling

variable parameters such as temperature, pressure, force, load, vibrations, electrical conductivity, liquid levels, acidity, humidity, deformation and flow.

8. The grounds of opposition were under section 5(1), 5(2)(a), 5(2)(b), 5(3) and 5(4)(a) of the Act. The objections under section 5(1) and 5(2)(a) were not maintained. Swiss conceded at the hearing that section 5(2)(b) was its strongest case. The Hearing Officer solely considered section 5(2)(b) and there is no appeal against his failure to deal with the other grounds.
9. The Hearing Officer issued his decision on 4 June 2008, BL O/154/08. He found that Swiss' opposition succeeded under section 5(2)(b) in relation to the following goods and services (paragraph 88):

Class 9

Apparatus for acquiring, transmitting, managing and distributing information and data; all for science and/or industry

Class 37

Technical consultation services; instrument testing and technical support services, namely troubleshooting of instrument problems in person and via fax, computer and telephone; instrument calibration, field services, maintenance contracts, equipment installation and testing; customer training; system upgrades; telephone and on technical support and assistance; instrument maintenance; all being for science and/or industry

Class 40

Engineering design services for others in the field of measurement and control; all the afore going services for science and/or industry

10. The net result was that the opposition had succeeded against all the contested services but that Engineering's Application should be permitted to proceed in respect of some of the contested goods in Class 9, namely:

Apparatus for checking and measuring distance; computer controlled apparatus for checking and controlling the measurement of distance; all for science and/or industry.

11. The Hearing Officer also held that under the terms of an agreement entered into between the parties in 1994, Swiss was estopped from opposing the goods allowed in Class 9 but not the goods and services refused in Classes 9, 37 and 40.
12. Considering Swiss to have been successful in its opposition to a significant degree, the Hearing Officer ordered Engineering to pay the sum of £1,100 towards Swiss' costs of the opposition.
13. Both parties filed notices of appeal to the Appointed Person against the Hearing Officer's decision. I heard Engineering's appeal and Swiss' appeal consecutively but first heard as a preliminary Engineering's application to admit further evidence into the appeal. Engineering was represented by its trade mark attorney, Mr. David

Crouch, Bromhead Johnson. Mr. Michael Edenborough of Counsel appeared on behalf of Swiss.

Engineering's application to adduce further evidence

14. Engineering sought to introduce for the first time on appeal an agreement entered into between the parties in 1983/84. Engineering claimed that Swiss' opposition to the goods and services refused in Classes 9, 37 and 40 was contrary to the terms of the 1983/84 Agreement because Swiss "gave consent to the applicant/appellant to use and registration of OMEGA marks in relation to certain of those goods".
15. I should mention that Engineering's notice of appeal dated 1 July 2008 indicates a misconception as to the scope of the refused goods and services. The goods and services for which registration was denied were listed at paragraph 88 of the Hearing Officer's decision and are re-stated at paragraph 9 above.
16. In *DU PONT Trade Mark* [2004] FSR 15 at 328 – 329, May L.J. confirmed the principles governing the exercise of an Appointed Person's discretion to admit fresh evidence on appeal. The *Ladd v. Marshall* [1954] 1 WLR 1489 at 1491 criteria are basic to the exercise of my discretion. However, other factors such as those set out by Laddie J. in *Hunt-Wesson Inc's Trade Mark Application (SWISS MISS)* [1996] RPC 233 at 242 may be relevant.
17. The three conditions stated by Denning L.J. in *Ladd v. Marshall* were:

"... first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence on the result of the case, although it need not be decisive; third, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible".

The *SWISS MISS* factors include the nature of the trade mark, the nature of the objections to it, whether or not the other side will be significantly prejudiced by the admission of the new evidence in a way that cannot be compensated, e.g., by an order of costs, the desirability of avoiding multiplicity of proceedings and the public interest concerned.
18. Engineering's case on the first condition is that it did not appreciate the relevance of the 1983/84 Agreement until it received the Hearing Officer's decision. Moreover, the agreement was fully known to Swiss. As to the second condition, Engineering says that the relevance of the 1983/84 Agreement is obvious. Insofar as the refused goods and services in Classes 9, 37 and 40 fall within the ambit of "excluded goods" as defined in the 1983/84 Agreement, Swiss contravenes it and has acted in bad faith.
19. Swiss' response is that Engineering has acknowledged that the 1983/84 Agreement was in the hands of both parties from the outset. Engineering elected solely to rely on the 1994 Agreement in its pleadings and evidence. Engineering could have put the 1983/84 Agreement before the Hearing Officer easily and without the need to exercise any diligence. The parties had litigated frequently in this jurisdiction on matters relating to the OMEGA marks as witnessed by the large volume of evidence in the

present case. It was now simply too late. Swiss had not been provided with the opportunity to present to the tribunal the context of the 1983/84 Agreement in aid of proper construction. Furthermore, the relevance of the 1983/84 Agreement was not apparent since *prima facie* it related to apparatus for recording heat or temperature.

20. I refused Engineering's application to adduce further evidence for the following reasons. First, Engineering did not provide me with a satisfactory explanation for the lateness of its fresh evidence. It is not enough to say that the relevance of that evidence was only appreciated or fully appreciated after the Hearing Officer's decision. A party is under an obligation fully to state its case at first instance.
21. Second, I do not believe that the fresh evidence would have an important influence on the result of the case. As Swiss has pointed out "the excluded goods" in the 1983/84 Agreement concern (paragraph 5):

"Instrument and apparatus intended for a scientific or industrial application in measuring, signalling, checking, displaying or recording heat or temperature (including such having provision to record heat or temperature over a period of time and/or to display the time of day)".

I cannot see how the Agreement has any bearing on the services refused in Classes 37 and 40. Moreover, even if (which I do not decide) "the excluded goods" did fall within the refused goods in Class 9, the latter were wider and encompassed goods other than the former, in which case Swiss was not bound by its agreement not to oppose.

22. Third, Engineering seeks to introduce pleas of consent and bad faith in relation to the 1983/84 Agreement that were not alleged below.
23. Fourth, for completeness, I have no reason to doubt the credibility of the fresh evidence nor do I believe that any of the additional *SWISS MISS* factors operates in Engineering's favour.
24. Swiss is entitled to a contribution towards its costs of the application to admit fresh evidence. I shall deal globally with the issue of costs at the end of my judgment.

Standard of appeal

25. An appeal to the Appointed Person is by way of review and not rehearing. The parties were agreed that the approach I should adopt is as stated by Robert Walker L.J. in *REEF Trade Mark* [2003] RPC 101 at 109 – 110:

"In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion and the outcome of a passing-off claim. It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer's specialised experience. ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in

my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or the decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden: see the recent judgment of this court in *English v. Emery Reimbold & Strick Ltd* (and two other appeals heard with it) [2002] EWCA Civ 605, April 30, 2002, para. 19:

"... the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge's conclusion should be identified and the manner in which he resolved them explained. It is not possible to provide a template for this process. It need not involve a lengthy judgment. It does require the judge to identify and record those matters which were critical to his decision."

Engineering's appeal

26. Engineering's notice of appeal was filed on 1 July 2008. Apart from the 1983/84 Agreement, it lists four grounds for appeal:
- (1) " ... the Opponent/Respondent has never filed evidence of use of their mark on any goods that could reasonably be described by the words appearing above in relation to Class 9, so that the Hearing Officer erred in deciding that they should be excluded from the present application."
 - (2) "Similar considerations apply to the above Class 37 and 42 services. It is further submitted that the Opponent/Respondent has never provided engineering design services for others. For these reasons it is submitted that the Hearing Officer also erred in deciding to exclude the services listed above under classes 37 and 42."
 - (3) "The Hearing Officer also erred in making the statement in paragraph 96 of his decision that "they (the Opponent) are not prevented from opposing the registration if the specification includes a reference to the measurement and display of time, even if this is qualified for use in science and industry". This is contrary to ... section 4 of the 1994 agreement [between the parties]."
 - (4) "As regards costs, it is submitted that the Hearing Officer was wrong to award costs in favour of the Opponent/Respondent. Whilst they won so far as concerns goods and services relating to time, they lost so far as concerns goods and services relating to distance. No award of costs should therefore have been made."
27. I should make two points by way of preliminary. First, as previously mentioned, Engineering has mistaken the goods and services for which its application was refused. The refused goods and services are set out at paragraph 9 of my decision.

Engineering believes that such goods and services were only refused insofar as they related to time. In fact, the Hearing Officer decided that because the specifications applied for did not exclude goods and services relating to time, the more general wording must be refused. Second, Engineering sought registration in Class 40 not 42. The references in ground (2) to Class 42 should instead read Class 40.

Use

28. It seems that Swiss and I interpreted Engineering's grounds (1) and (2) differently. I understood Engineering to be challenging the Hearing Officer's conclusions on proof of use of the earlier trade marks. Swiss on the other hand had understood Engineering to be arguing that use of the earlier trade marks on the refused goods and services was a pre-condition to a finding of likelihood of confusion under section 5(2)(b). Engineering's skeleton argument did not provide the necessary clarity. Engineering challenged the use shown in relation to Swiss' earlier trade marks UK 699057 and UK 1456848 but only in the context of Swiss' appeal against the goods allowed to proceed in Class 9. In support of its own grounds of appeal, Engineering merely argued that Swiss had not filed any evidence of use of its marks on any of the refused goods and services outside those for sport. Mr. Crouch himself seemed uncertain at the hearing of the appeal.
29. The importance of a party supplying a full, clear and complete notice of appeal and statement of grounds was noted by Mr. Simon Thorley Q.C. sitting as the Appointed Person in *COFFEEMIX Trade Mark* [1998] RPC 17 at 22. Nevertheless, in order to do justice to the parties I indicated at the hearing that I would deal with both aspects in my decision.

Proof of use

30. In the event, Swiss relied in the opposition on four earlier trade marks: UK 2052200, UK 699057, UK 1456848 and CTM 226027. Of those, only UK 699057 in Class 9 and UK 1456848 in Class 37 had been registered for more than five years at the date of publication of the Application and were subject to the use conditions of section 6A of the Act. Engineering had generally put Swiss to proof of use in respect of all products other than watches and jewel watches and sports timing equipment.
31. The Hearing Officer noted that parties had filed in evidence several decisions from previous UK proceedings between them. He said that he proposed to take note of those decisions insofar as they confirmed the actual use that had been proven of Swiss' earlier trade marks. Engineering has not alleged that that the Hearing Officer was at fault in so doing.
32. The specification of UK 699057 on which Swiss relied, was arrived at following partial revocation proceedings brought by Engineering. In BL O/027/03, Mr. David Landau, the Hearing Officer acting on behalf of the Registrar, restricted the original specification to its current form with effect from 14 September 2001, i.e., within the proof of use period pertaining in the present proceedings. Mr. Landau was satisfied that Swiss had "shown use of the trade mark in relation to goods that measure things other than time eg distance ... [and] equipment that can be used for signalling ie

equipment for judges to communicate with each other". He added that Swiss had supplied a wide range of equipment for sporting use in a wide variety of sports.

33. The specification of UK 1456848 on which Swiss relied was likewise determined in partial revocation proceedings instigated by Engineering. Again, the Hearing Officer was Mr. Landau. In BL O/026/03, he restricted the original specification to its current form again with effect from 14 September 2001. Of the services challenged, Mr. Landau entertained no doubt that Swiss had supplied a large amount of sporting equipment as well as public information display apparatus and instruments, which it had maintained and repaired.
34. In both cases, much of the evidence of genuine use spanned the period 1999 – 2001. Engineering did not particularise any error on the part of the Hearing Officer in the present proceedings in accepting the revised specifications decided by Mr. Landau. When prompted, Mr. Crouch conceded that he had no problem with the specifications of UK 699057 and UK 1456848 as they stood. I concluded that Engineering had shown no basis for overturning the Hearing Officer's findings on proof of use, if that was what Engineering was advancing.

Use for the refused goods and services

35. Moving to Mr. Edenborough's understanding of grounds (1) and (2), he was correct in stating that it is unnecessary to show actual use on the later goods and services in order to succeed under section 5(2)(b). It is sufficient where proof of use is called for that there is similarity between the goods and services for which registration is sought and those for which the earlier mark has been used, and the other conditions of section 5(2)(b) are satisfied (see, for example, Case T-16/08, *Perfetti Van Melle SpA v. OHIM*, 1 July 2009). On that count Engineering has also failed to identify any error on the Hearing Officer's part.
36. At the hearing Mr. Crouch intimated that the real complaint was that Hearing Officer should not have found that there was a likelihood of confusion because all the goods and services in the Application were for science and/or industry and the users and channels of trade were different. However, Mr. Crouch acknowledged that those points had been put to the Hearing Officer and the appeal process is not intended to give a party a second bite at the cherry.

The 1994 Agreement and costs

37. I agree with Mr. Edenborough that Engineering's third ground of appeal is contrary to the interpretation given to clause 4(c) of the 1994 Agreement between the parties by Pumfrey J. in *Omega SA v. Omega Engineering Limited* [2002] EWHC 2620 (Ch). Engineering did not pursue that ground in its skeleton argument nor at the appeal hearing. I return to clause 4(c) of the 1994 Agreement in connection with Swiss' appeal below.
38. Lastly, Engineering appeal against the costs order, which the Hearing Officer made. It seems to me that any disgruntlement might be the result of Engineering's misconception as to the list of goods and services against which Swiss' opposition

succeeded. Given, as the Hearing Officer noted, that Swiss had succeeded to a significant degree, the costs order was well within his discretion.

39. Engineering's appeal fails. Swiss is entitled to a contribution towards its costs of Engineering's appeal, which I shall assess at the end of this judgment.

Swiss' appeal

40. Swiss' appeal, which was filed on 2 July 2008, is against the Hearing Officer's refusal of the opposition under section 5(2)(b) of the Act in relation to certain goods in Class 9, namely:

Apparatus for checking and measuring distance; computer controlled apparatus for checking and controlling the measurement of distance; all for science and industry.

41. Swiss also appeal against the Hearing Officer's decision that Swiss was precluded through estoppel from opposing registration of Engineering's mark in respect of the abovementioned goods by virtue of clause 4(c) of the 1994 Agreement entered into between the parties.

Section 5(2)(b)

42. Section 5(2)(b) of the Act provides 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 mark is protected, there exists a likelihood of confusion on the part of the public, which includes a likelihood of association with the earlier trade mark.
43. Section 5(2)(b) implements Article 4(1)(b) of Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 to approximate the laws of Member States relating to trade marks and corresponds to Article 8(1)(b) of Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trade mark.
44. The manner in which those provisions should be interpreted and applied has been considered by the Court of Justice of the European Communities ("ECJ") in a number of cases, in particular, the leading cases of Case C-251/95, *Sabel BV v. Puma AG* [1997] ECR I-6191, Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* [1999] ECR I-3830 and Case C-425/98, *Marca Mode CV v. Adidas AG* [2000] ECR I-4881.
45. The Trade Marks Registry has devised a summary of the principles established by those cases, which was employed recently by Arnold J. in *Hotel Cipriani Srl v. Cipriani (Grosvenor Street) Ltd.* [2009] RPC 209 at paragraph 115 as follows:

- "a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

- b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed reasonably well informed and reasonably circumspect and observant but who rarely has the chance to make direct comparisons between marks and must instead rely on the imperfect picture he has kept in his mind, and whose attention varies according to the category of goods or services;
- c) the average consumer normally perceives the mark as a whole and does not proceed to analyse its various details;
- d) the appreciation of the visual, aural and conceptual similarities of the marks must therefore be based on the overall impression created by the marks bearing in mind their distinctive and dominant components;
- e) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- f) there is an interdependence between the various relevant factors, so that a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;
- g) mere association, in the strict sense that the earlier mark to mind, is not sufficient;
- h) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- i) the risk that the public might wrongly believe that the respective goods or service come from the same or economically linked undertakings constitutes a likelihood of confusion."

46. The Hearing Officer said that he was taking into account the relevant ECJ authorities including Case C-106/03 P, *Vedial SA v. OHIM* [2004] ECR I-9573, which stresses that the conditions of section 5(2)(b) are cumulative and must independently be assessed (paragraph 51; see also *Canon*, paragraphs 22 – 23). However, the Hearing Officer did not use the Registry's standard summary, preferring instead to state the essence of the test. Whilst there was nothing wrong with his approach, he needed to have applied the appropriate principles.

47. Swiss argue that the Hearing Officer incorrectly assessed the likelihood of confusion. First, he was distracted by his consideration of the relationship between time and distance, which was in any event lacking. Second, he wrongly appeared to take into account whether distance was an essential part of Swiss' business when he assessed the likelihood of confusion. Third, that led him erroneously to disregard Swiss' reputation in its earlier trade marks. Fourth, the Hearing Officer appeared to draw a distinction between distance measuring devices for science and/or industry and such

devices for sport without giving any reasons and without foundation because there is no essential difference between the goods.

The Hearing Officer's decision

48. The Hearing Officer stated that he wished first to consider the relationship between the measurement of time and that of distance. In his view, that was central to the opposition. He continued:

“49. In everyday life, we use time as a way to decide two things, firstly, when it is time to do something and secondly, how long has it taken to complete a task. In the first case, it may, for example, be the time to go to school or to work or to take some medicine. In the second case, it may be, for example, to know if we are improving at a particular task, such as how long it is taking us to complete a task such as an exercise routine or a journey. The first case is an example where the accurate measurement of a specific time is important whereas the second case is more one where the measurement of a time period, i.e., the time that has elapsed, is important.

50. The measurement of distance involves measuring what is the separation between two points. These two points represent the starting point and the finishing point and the separation between them may be a straight line, the so-called “as the crow flies” distance or it may be the distance between two points obtained by following a particular path, for example, a road, a cross-country trail. Various units are available for measuring distance and their choice very much depends on scale, the distance may be a small one measured in inches or centimetres or it may be a long one measured in kilometres or miles. Measuring distance can involve the use of a ruler or a tape measure or a device such as a pedometer which counts the number of steps taken. Increasingly, optical based tools are used based on lasers which measure distance on the basis of the time taken for the light signal to travel and return from an object. Such tools are used, for example, by estate agents when measuring room dimensions.

51. Once a specific distance has been measured and is known, often what is of interest then is to measure the time taken to complete this distance. This is the basis of most sporting events, the time taken to race 100 metres in a sprint or to run (just over) 26 miles in a marathon. In this situation, measuring the time taken to travel this fixed distance is important. It needs to be done accurately if two or more competitors are close together and a ranking must be produced, for example, as in sports events such as sprinting or swimming. In this situation measuring the distance is only relevant to set things up – when the distance is measured and marked on the first occasion it is done so accurately, but once this has taken place, it does not need to be measured every time someone or something travels this distance, instead what is measured is the time taken to achieve the journey. This is the basis for sporting events and is also the basis of transport timetables. In such timetables, e.g., for buses and trains, the time taken to journey between two places, such as towns or cities, is being measured. In these situations, what one is concerned with is being able

to measure time accurately and consistently because what is important is the time taken to achieve something.

52. Time also provides a means which can be used to compare how one process or event or activity is progressing in relation to those that have taken place before or will take place in the future. If one observes how something is progressing as fixed intervals of time are passing, then this can be used to compare this thing with situations that have occurred in the past and also provide a means by which the same thing can be compared in the future. If one is trying to find out how a particular process or material compares to another, one could observe what changes have taken place after a period of time has passed. If some property of this process or material is measured and found to be the same or very similar then one is able to conclude that the process or material is behaving in the same way as before, as is expected. If the result shows a difference between the two, then one has a warning that something different may be taking place and that some form of action may be required.

53. This, in my view, explains the relationship between the different types of activities carried out by Swiss and Engineering. Swiss is concerned with measuring the time taken to do something accurately and the result is always being displayed as a time. For example, the time that a train departs or the times that a series of runners have taken to complete a fixed distance. This has been the origin of their business and the basis on which they have become known, for example, through providing time measuring equipment for sporting events such as the Olympics. On the other hand, the main purpose of the business carried out by Engineering is to be able to measure and compare the properties of different materials, processes etc. so that the person doing the measuring can understand if things are working correctly or not. Determining the precise time is not key in the same way for Engineering as it is for Swiss but it needs to be measured accurately as part of the overall process. The equipment sold by Engineering will have to be able to measure time as part of its functioning even if it does not report or display it.

54. However, it is clear that in a sporting event, in order to measure the time taken to complete the distance, one has to measure the time that everyone started, the time that they finished and deduct one from the other to determine how long this took and achieve a ranking of the participants. This is measurement of a time period. The equipment used to measure such a time period will not differ fundamentally in any way from the equipment that would be used in a control room of an industrial plant to determine the time period between measurements of various process characteristics. Equipment sold for the former purpose could be expected to be used or likely to be used for the latter purpose. I do not consider it likely that one would expect the equipment for measuring and displaying time for activities such as sporting events or for passenger terminal displays to be very different from that used for measuring and displaying time for laboratory, scientific or industrial processes. In the context of scientific and industrial activities carried out by Engineering, it may also be necessary to measure exactly the time when a specific event occurs such as when a process was first observed to change

significantly or unexpectedly. Thus in both areas of activity carried out by Engineering and Swiss situations will arise where the measurement of the specific time and the elapsed time period is needed. For this reason, I find it is hard to distinguish the measurement of time on the basis of the use to which the measurement is being put, for example, in sport or in industry”.

49. Mr Edenborough says that this marks the start of the Hearing Officer’s incorrect assessment of likelihood of confusion for the purposes of section 5(2)(b). The Hearing Officer noted the close associations between time and distance including that laser measurement devices calculate distance according to the time taken for the laser beam to travel to the object and back again. However, his discussion then mutated into one concerning sport on the one hand and science and/or industry on the other hand from which he concluded that that it was not possible to differentiate between the measurement of time in those fields. The latter discussion was not undertaken in relation to the measurement of distance yet the Hearing Officer subsequently decided without further explanation that a distinction could be drawn between distance apparatus for use in sport and distance apparatus for use in science and/or industry. Mr. Edenborough criticised the Hearing Officer’s assumption that the measurement of distance is not an essential part of sport citing events such as javelin throwing and the long jump. He also challenged the Hearing Officer’s swimming pool example (see below) pointing out that it is critical to know the length of different pools in order to establish whether record times are beaten¹.
50. It seems to me not only that there is justification in Mr. Edenborough’s points but also that the Hearing Officer was in danger of straying into irrelevant territory for section 5(2)(b). The comparison for section 5(2)(b) is not on the basis of the parties’ actual uses but on their respective specifications of goods and services (if appropriate in the case of an earlier mark, tailored to the proof of use conditions, see above) (Case T-364/05, *Saint-Gobain Pam v. OHIM* [2007] ECR II-757, paragraph 89). The assessment of likelihood of confusion for section 5(2)(b) is not akin to passing-off (Joined Cases T-114/07 and T-115/07, *Last Minute Network Ltd v. OHIM*, 11 June 2009).
51. Next, the Hearing Officer considered the “reputation” of the earlier marks. It is well established that for the purposes of section 5(2)(b), the more distinctive the earlier mark, the greater will be the likelihood of confusion (*Sabel*, supra, paragraph 24). Thus, marks with a highly distinctive character, either per se or because of the recognition of them on the market, enjoy broader protection than marks with a less distinctive character (*Canon*, supra, paragraph 18, *Lloyd Schuhfabrik Meyer*,

¹ In order to support his argument as to the intimate relationship between time and distance, Mr. Edenborough took me to a statement by Dr. Hamid Kayal given in previous proceedings between the parties (witness statement of Sofia Arenal dated 9 September 2005, exhibit SA1, witness statement of Peter Stierli dated 15 December 2000, exhibit PS11). Dr. Kayal speaks of the reference “space-time” of Einstein’s theory of relativity. Mr. Edenborough also took me to Appendix 2 of the witness statement of Timothy Edwin Coleman dated 15 December 2000 (witness statement of Sofia Arenal dated 9 September 2005, exhibit SA2) containing one of Swiss’ brochures entitled “the last word in sports timing”, which appears to relate to the XIII Commonwealth Games, Scotland 1986. The brochure talks about the “Omega RETA-Sport electronic distance measuring devices”: “The RETA-Sport automatic tacheometer is an electronic distance measuring device for field events. The tacheometer can be connected on-line to the data-handling system or to an Omega OIN 11 rotating field display scoreboard.”

paragraph 20). The Hearing Officer decided that Swiss' earlier marks were inherently, that is, per se, possessed of a high distinctive character. Moreover, Swiss' earlier trade marks had a reputation in relation to sophisticated timing devices for sporting events and for watches including ladies and gents watches, diving watches and chronographs and also in relation to time display apparatus for passenger transport terminals. Mr. Edenborough says that the Hearing Officer's preoccupation with time and distance led him to disregard Swiss' reputation (by which Mr. Edenborough meant entitlement to broader protection because of enhanced distinctive character acquired through use of the earlier marks) in his assessment of the likelihood of confusion. In order to judge that ground of complaint, it is necessary to delve further into the Hearing Officer's decision. Before going on, however, I should record that the Hearing Officer's findings on "reputation" are unchallenged.

52. The Hearing Officer then compared the respective marks and decided that there was a very high degree of similarity between them. That conclusion is uncontroversial.
53. Turning to the comparison of goods and services and his conclusion, the Hearing Officer said insofar as relevant to the subject of Swiss' appeal:

“69. Turning to the other goods in class 9 for which registration is sought, these refer specifically to the measurement and checking of distance in the context of scientific or industrial use. The closest relevant marks are CTM 226027 and UK 699057. CTM 226067 is registered [sic] for goods in class 9 for “*installations for checking, measuring time and distance, used for sporting activities*” and is also registered [CTM 7320229] for services in class 42 for “*research and development in the field of measuring and checking time and distance, management and dissemination of information, in particular for use in transport, advertising, banking and sport*”. UK 699057 is registered for goods in class 9 for “*measuring and signalling apparatus and instruments, all for use in sport; but not including calculating machines nor instruments and apparatus for measuring, signalling and checking (supervision) of heat and temperature for scientific and industrial use*”.

70. I do not consider that the situation in relation to the measurement of distance is so clear-cut as it is in relation to the measurement of time. It is clear from the registrations held by Swiss that they refer to the measurement of distance but that is qualified. UK 699057 is confined to use in sport and CTM 226027 refers to use in particular for sport, banking, advertising and transport. Engineering has confined their use to scientific or industrial use.

71. I cannot find in the evidence submitted by the opponent anything that shows measurement of distance as an essential part of their business. While I accept that distance is involved in Swiss' activities to the extent that it has to measure the time taken to complete a specific distance, I do not consider that that is the same as having equipment to measure distance. Swiss is well known for providing goods and services for the measurement and display of time and that, in the field of sport, these goods and services can be quite complex involving optical equipment such as cameras to determine who has finished first, signalling equipment to determine when someone has crossed a start or finish line or made a false start, and computer equipment to calculate

and display rankings, previous timings, and various other information to do with the event and competitors taking part. However, these are all related to measurement of time. The measurement of distance is not an essential part of this and is not required in all instances. Indeed, in sporting events such as swimming, the distance is already fixed by the physical size and length of the pool and there is no need to make a measurement of the distance when measuring the time taken to complete the event distance. Thus in this context I consider that the measurement of time and that of distance are distinct.

72, While I am satisfied that time is not a variable parameter in the way that pressure, electrical conductivity or other parameters mentioned by Engineering in the 1994 agreement are (see below), I do not consider that distance can be considered in the same way as time. This is in effect what Ms Arenal and the opponent are inviting me to do. The late Pumfrey J [as he then was, in *Omega SA v Omega Engineering Ltd*, [2002] EWHC 2620 (Ch), already referred to] characterised the difference between such parameters and time in the following way:

“... If apparatus of any kind for measurement of time or of elapsed time is to be covered by the prohibition of clause 4(c), it must be as an unidentified variable parameter such as “pressure, force, load, vibration, conductivity, liquid level, acidity, humidity, strain and flow”.

What is immediately apparent is that these are all quantities which are measured by transducer. They are quantities which can be measured and controlled in response to their measured value. Time, on the other hand, although a parameter that varies, in the sense that it passes, is not such a quantity. Periods of time can, of course, be pre-set and, to that extent, familiar to anyone with an egg timer, time is a variable parameter. But it is not measured in the sense that the listed quantities are measured.”

73. At the hearing Mr Crouch referred to liquid level as an example of a distance and the level of fluid in a tank, and to distance as a height. This is true in so far as it goes, in that, for example, the distance between the top and the bottom of a tank containing liquid can be measured and used to control events. Ms Arenal countered by stating that she considered liquid level to be more like pressure. I do not agree as I consider that liquid level and pressure are different types of variable parameter.

74. I consider the test to be applied is that referred to above in the *Omega* decision by Pumfrey J. Is distance (or any other parameter being considered) a parameter that is ‘measured by transducer’? If it is then it is a different type of parameter to time. Time is not a parameter or ‘a quantity’, in the judge’s words, that can be measured and controlled in response to the value obtained, but I consider that distance is.

75. Mr Crouch referred to distance as an attribute of physical things. I do not see the relevance of this. Physical things can be measured and their

dimensions of height, width and depth measured. Physical things have a distance only in relation to how far they have travelled from a starting point which is an attribute of how we measure distance and not of the physical thing itself. One could measure the change in dimensions of a physical entity as a way to measure or control what is happening to the size, say, of some food product.

76. Taking account of the relevant users for the registered and applied for goods and their respective uses, I consider that it is possible to distinguish between those goods and services for the measurement of distance in the field of sport and those in the field of science and industry. Also the measurement of distance is not at the centre of gravity of Swiss's business and the reputation that Swiss has established in relation to the measurement of time does not in my view extend to the area of the measurement of distance.

[...]

89. ... I am satisfied that a consumer, seeing the following goods in class 9:

Apparatus for checking and measuring distance; computer controlled apparatus for checking and controlling the measurement of distance; all for science and/or industry

being marketed under the trade mark OMEGA.CO.UK would not be likely to confuse them with the registered trade mark OMEGA registered for goods in class 9 under registrations UK 2052200, UK 1456848 [sic – registered in Class 37], UK 699057 and CTM 226057 [sic – applied for in class 9]. The opposition by Swiss in relation to the registration of trade mark application 2226666 in relation to these goods is as a consequence not successful.”

Evaluation

54. *Canon*, supra, requires the tribunal under section 5(2)(b) to undertake a separate assessment of the similarities in the respective goods and services taking into account their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (paragraph 23). Additional factors which may be relevant include their distribution channels (Case T-443/05, *El Corte Inglés v OHIM* [2007] ECR II-2579, paragraph 37). The average consumer of the categories of products concerned is hypothetical, and he or she is deemed to be reasonably well informed and reasonably observant and circumspect (*Lloyd*, supra, paragraph 26). The exercise under the relative grounds for refusal is prospective and not dependent on the parties' actual trading methods (Case C-171/06 P, *T.I.M.E ART Uluslararası Sat Ticareti ve dış Ticaret AŞ v. OHIM* [2007] ETMR 38, paragraph 59). The degree of similarity between the goods and services in the earlier and later marks is just one of the factors that go into the global assessment of likelihood of confusion. The other factors are, in particular, the recognition of the earlier mark on the market, the association that can be made with the earlier mark and the degree of similarity between the earlier and later marks. Those factors act interdependently in the appreciation of likelihood of confusion (*Lloyd*, supra, paragraph 19). The distinctiveness of the earlier trade mark is not relevant to the assessment of the degree

of similarity between the goods and services concerned (Case C-398/07 P, *Waterford Wedgwood plc v. OHIM*, 7 May 2009, paragraphs 34 and 35).

55. The Hearing Officer appears to have assessed the similarity between the goods and services at issue by reference to clause 4(c) of the 1994 Agreement, or more precisely Pumfrey J.'s interpretation of that clause in relation to time. What the parties had agreed privately is not determinative of the likelihood of confusion under section 5(2)(b) (Case T-90/05, *Omega SA v. OHIM* [2007] ECR II-145, paragraph 49) especially in a case such as the present where:
- (a) The 1994 Agreement did not address the risk of confusion but was entered into for the "avoidance of future interference" between the parties' businesses.
 - (b) Engineering did not plead co-existence in the market as indicative of no risk of confusion under section 5(2)(b).
 - (c) Although Swiss's evidence established use on distance measuring equipment, there was no evidence of any such use by Engineering, i.e., no evidence of co-existence in fact even if that could have been persuasive (*Rousselon Freres et Cie v. Horwood Homewares Limited* [2008] EWHC 881 (Ch), Warren J., paragraphs 98 and 99).

Furthermore, Pumfrey J. in the *Omega* case referred to by the Hearing Officer was construing clause 4(c) of the 1994 Agreement in the context of Swiss' right to oppose and not in the context of whether such opposition would be successful.

56. The Hearing Officer also appears to have taken into account the reputation of Swiss in determining the degree of similarity between the goods and services in question. When translated into his global conclusion under section 5(2)(b) that appears to have narrowed rather than broadened the scope of protection of the earlier trade marks (contrary to *Sabel*, supra, paragraph 24, *Canon*, supra, paragraph 18) with the result that Swiss would have been better served relying on the inherent distinctive character of their marks.
57. I believe that Swiss has succeeded in establishing that the Hearing Officer did err in his consideration of the ground of opposition under section 5(2)(b) in relation to the contested goods that were allowed to proceed to registration in Class 9. I am in possession of the same evidence and arguments as were before the Hearing Officer. The opposition has been on foot for several years and the overall objective is best achieved by me determining the outstanding objection under section 5(2)(b). However, I find it appropriate first to decide Swiss' appeal against the Hearing Officer's finding that Swiss was estopped under Clause 4(c) of the 1994 Agreement from opposing the application in respect of the contested goods.

Clause 4(c) of the 1994 Agreement

58. The proper approach to construction was set out by Lord Bingham of Cornhill in *Bank of Credit and Commerce International SA v. Ali* [2002] 1 AC 251 at page 259:

"In construing this provision, as any other contractual provision, the object of the court is to give effect to what the contracting parties intended. To ascertain the intention of the parties the court reads the terms of the contract as a whole, giving the words used their natural and ordinary meaning in the context of the agreement, the parties' relationship and all the relevant facts surrounding the transaction so far as known to the parties. To ascertain the parties' intentions the court does not of course inquire into the parties' subjective states of mind but makes an objective judgment based on the materials already identified. The general principles summarised by Lord Hoffmann in *Investors Compensation Scheme Ltd v. West Bromwich Building Society* ... [1998] 1 WLR 896 at 912-913 apply in a case such as this."

See, also *Chartbrook Limited v. Persimmon Homes Limited* [2009] UKHL 38, Lord Hoffmann at paragraph 14.

59. The Hearing Officer cited a passage from the decision of Carnwarth L.J. in *World Wildlife Fund for Nature v. World Wrestling Federation Entertainment* [2002] FSR 33 at paragraph 48, from which he concluded that Swiss had to show why its objection to registration of the mark was justified, if Engineering had made an application consistent with the terms of the Agreement. I am unable to see the relevance of that passage to these proceedings. Swiss was not seeking to avoid the 1994 Agreement but to establish that on its proper construction Swiss was not prevented from opposing Engineering's application in relation to the contested goods.
60. The 1994 Agreement was entered into between the parties against the background of oppositions in Hong Kong and Germany. The introduction recites that Engineering had opposed a trade mark application in Class 9 made by Swiss in Hong Kong and that Engineering had made trade mark applications in Class 9 in Hong Kong and Classes 9 and 42 in Germany, which Swiss intended to oppose. The recitals conclude:
- "Both parties hereto are desirous of coming to an arrangement for the avoidance of future interference Worldwide between their respective fields of commercial operation under their Rights in respect of Trademarks consisting of or including the word OMEGA and/or the Greek letter Ω or containing elements colourably resembling either of those two elements."
61. In order to settle the proceedings mentioned in the recitals, Engineering agreed in Clause 1 to withdraw its opposition to Swiss' Hong Kong application. Consequent upon the signing of the agreement, by Clause 2 Swiss was to amend the specification of its Hong Kong application to read:
- "Computer controlled apparatus for checking and controlling the measurement of time and distances for use in sporting events; electronic information display apparatus for use in sporting events and in public concourses; parts and fittings for the aforesaid goods; all included in class 9."
- As Pumfrey J noted in *Omega SA v Omega Engineering Ltd* [2002] EWHC 2620 (Ch), the specification did not exclude goods for use in science and industry.
62. In return, Engineering was at the same time obliged by Clause 5 to amend its Hong Kong application to read:

“transducers, detectors, sensors; electrical instruments and apparatus for controlling, checking, indicating, displaying, measuring, monitoring, warning, data logging (all for use with variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow) and parts and fittings for all the aforesaid goods, computers, computer programs, computer interfacing instruments and apparatus; signal conditioning instruments and apparatus and signal amplifiers; thermocouples, thermocouple probes and thermopiles; electrical power supply units; electric adaptors, connectors, terminals, feedthrough unions, bushings, sockets, wires and cable, all of the foregoing only for use in science and industry, and not including computer controlled apparatus for checking and controlling the measurement of time and distances for use in sporting events; electronic information display apparatus for use in sporting events & in public concourses and parts and fittings for the aforesaid goods.”

Equally on the signing of the agreement, Engineering agreed in Clause 7 to amend its German specifications of goods to state that all of the goods covered were for scientific and/or industrial use.

63. Again it is worth noting Pumfrey J.’s observation that the Hong Kong limitations were complementary: “save that the general words of Engineering’s application were limited by the words “all of the foregoing only for use in science and industry”; while [Swiss] did not apply for any of those goods otherwise than “for use in science and industry””.
64. Looking to the future and worldwide, Clause 4 provided:
- “a. OMEGA ENGINEERING INCORPORATED undertakes not to use, register or apply to register any trademark consisting of or containing the word OMEGA or the Greek letter Ω or any mark containing elements colourably resembling either of those two elements in respect of computer controlled measuring, timing and display apparatus, unless intended for science or industry.
 - b. OMEGA SA undertakes not to use, register or apply to register any trademark consisting of or containing the word OMEGA or the Greek letter Ω , or any element colourably resembling either of those two elements, in respect of,

“Apparatus industrially and/or scientifically employed for measuring or controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow.”
 - c. OMEGA SA will not object to the use or registration by OMEGA ENGINEERING INCORPORATED of any trademark consisting of or containing the word OMEGA or the Greek letter Ω or any element colourably resembling either of those two elements in respect of apparatus industrially and/or scientifically employed for measuring or controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow.”

65. Clause 4(a) permits Engineering to apply for registration in respect of computer controlled measuring, timing and display apparatus but only if intended for science or industry, and has no counterparts. First, Swiss is not prevented from opposing any such application. Second, Engineering is not precluded from objecting to any application Swiss might make for such goods otherwise than intended for science or industry. The former was why Pumfrey J. said that Clause 4(a) falls away when Engineering files an application in accordance with its terms.
66. By contrast, Clause 4(b) and 4(c) go hand in hand. Clause 4(b) obliges Swiss not to make a trade mark application for what appears to be a narrower range of goods (save that the apparatus need not be computer controlled), namely apparatus industrially and/or scientifically employed for measuring or controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow. Complementarily, Clause 4(c) prohibits Swiss from contesting an application for registration filed by Engineering in respect of those goods. It seems to me, therefore, that Clause 4 was more geared towards protecting Engineering's business interests at the time rather than the other way around.
67. The contested goods in Class 9 are:

Apparatus for checking and measuring distance; computer controlled apparatus for checking and controlling the measurement of distance; all for science and/or industry.

It is clear that Engineering's Application in relation to the contested goods passed muster under Clause 4(a), whereupon that clause ceased to be applicable. The issue for the Hearing Officer was whether the contested goods fell within Clause 4(c) denying Swiss the right of opposition. An uncanvassed point was whether the limitation in the Application, "all for science and/or industry", was wider (more generous) than the corresponding limitation in Clause 4(c), "apparatus industrially and/or scientifically employed". I think it might be.

68. The Hearing Officer held that the contested goods were covered by Clause 4(c). His reasoning was as follows:

"94. Mr Crouch in his submissions argued that under clause 4(c), Swiss (referred to as OMEGA SA in the agreement) is prevented from objecting to the application in suit. Engineering argues that distance is a variable parameter. It considers that liquid level is the same as distance. On the other hand, Ms Arenal and Swiss did not agree with this interpretation and considered that distance is not a variable parameter and that they are entitled to object to the specification sought by Engineering as it includes goods or services in relation to the measurement and display of time.

95. Pumfrey J concluded in the above decision (emphasis added by me):

"I do not think that time is a variable parameter within the contemplation of clause 4(c). I am reinforced in this view by two considerations. First, clause 4(c) permits SA to oppose any mark applied for by Engineering in respect of apparatus otherwise of the kind specified which is not for use industrially or scientifically. A prohibition in respect of time measuring apparatus, regardless of its intended application, obviously directly

reflects the centre of gravity of SA's business. Thus, on the construction which I consider appropriate, the centre of SA's business, which is concerned with time measurement, is surrounded by a penumbra of goods otherwise than for use in the industrial and scientific context. It is convenient at this point to refer to the second substantive argument advanced by the Respondents by way of cross-appeal.

It is said that the Hearing Officer erred in his assessment of similarity and of the likelihood of confusion by failing to take into account the provisions of clause 4(a) of the agreement. That, it is said, shows the parties were agreed as to what is not sufficiently similar to give rise to likelihood of confusion.

For the reasons I have given, I reject this conclusion. Clause 4(a) gives SA the right to consider applications on a case by case basis. It does not oblige SA not to oppose. But, in any event, it seems to me that although I differ from him on the interpretation of the agreement, I would not have interfered with the Hearing Officer's assessment of the likelihood of confusion in fact. The decision of the Court of Appeal in *South Cone Inc v Jack Bessant*, CA [2002] EWHC 763 (Civ) of 28th May 2002 justifies me in interfering only in the circumstances identified in paragraphs 23 to 30 of the judgment of Lord Justice Robert Walker in that case. I am not satisfied that I should interfere, the more so since I have not been shown the great majority of the material before the Hearing Officer relating to the use of the mark by both parties. It follows that, in my judgment, the Hearing Officer should have required removal of the term "*periodic timers*" in its entirety from the specification of goods, once he had determined that it was objectionable under section 5(2)(b) in the absence of the agreement."

96. Thus, I am satisfied that Swiss is entitled to examine each registration applied for by Engineering and decide whether or not to oppose. They are not prevented from opposing the registration if the specification includes a reference to the measurement and display of time, even if this is qualified for use in science and industry. If Swiss considers that the applied for registration considers goods or services that relate to the measurement of time then I am satisfied that they are entitled to object.

97. However, as also discussed above, I have distinguished between the measurement of time and the measurement of distance in relation to the applied for specification and in regard to the latter, Engineering sought registration for the following goods in class 9:

Apparatus for checking and measuring distance; computer controlled apparatus for checking and controlling the measurement of distance; ... all for science and/or industry

I do not consider that the penumbra referred to by Pumfrey J in the above decision included the measurement of distance as being within the central core of Swiss's business.

98. I note that clause 2 of the 1994 agreement stated the following:

“OMEGA SA shall upon the signing of this agreement amend the specification of goods in its [Hong Kong] application ... to read
“*Computer controlled apparatus for checking and controlling the measurement of time and distances for use in sporting events; electronic information display apparatus for use in sporting events and in public concourses; parts and fittings for the aforesaid goods; all included in Class 9*”.

Thus, it appears, that Engineering in this context were prepared to allow Swiss to have a registration that related to the measurement of distance as well as the measurement of time but that this related specifically to use in sport.

99. By the same token, liquid level which, as I have discussed above, may be considered to be a distance and can be measured in such units, is referred to in the specification in clause 4(c) that Swiss agreed that they would not object to when limited to use for science or industry. The specification in clause 4(c) is not an exhaustive list, it is a list of examples of such variable parameters. Thus other variable parameters can be covered other than those mentioned specifically. As mentioned above, time is not considered to be such a variable parameter and is excluded. Distance, however, which is not the same type of parameter as time, can be considered to be such variable parameter, in my view.

Conclusion

100. Thus, I am satisfied that the 1994 agreement does not would [sic] prevent Swiss from opposing the registration of UK trade mark application number 2226666 in the name of Engineering for those parts of the specification that cover goods and/or services related to the measurement (and display) of time.

101. For the reasons I have given earlier, I do not consider that distance is a parameter in the same way that time is. The restriction to use for science and industry is consistent with the 1994 agreement and if used in relation to one of the variable parameters referred to in clause 4(c) of the 1994 agreement would be sufficient to estop Swiss, in my view, from objecting to registration of the specification. In the registration sought by Engineering, they have restricted the measurement of distance to use in relation to science and/or industry. As a consequence, I am satisfied that Swiss were not entitled to object to the application by Engineering to register the above mentioned goods for the measurement of distance in class 9.”

69. Swiss contends that the Hearing Officer was wrong in his construction of the 1994 Agreement as regards the contested goods. In short, Mr. Edenborough argued that Clause 4 drew a distinction between measuring, timing and display apparatus (Clause 4(a)) and variable parameter apparatus (Clause 4(b) and (c)). Pumfrey J. held that timing apparatus was outside Clause 4(c), and display apparatus could never be considered variable parameter apparatus. The same logic applied to measuring

apparatus since the Agreement treated all three together. Distance measuring apparatus was not variable parameter apparatus within Clause 4(c) and that construction was supported by:

- (a) The intimate association between measuring time and measuring distance, e.g., distance can be measured in light years.
- (b) Swiss' long involvement with the Olympic Games central to which are field and track events where it is necessary to measure the time taken or the distance achieved, e.g., 100m sprint and javelin respectively, and display the results to spectators.
- (c) The Agreement as a whole, e.g., Clause 2 and Clause 5. Clause 2, which concentrates on Swiss' core interests and tallies with Clause 4(a), links time, distance and display. Pumfrey J. held that time transcended sporting use. Display is not a variable parameter. The same must be true of the third element in Swiss' trinity, distance, or "measuring" within Clause 4(a).
- (d) Clause 5, on the other hand, focuses on Engineering's interests and excludes time, distance and display.

70. Mr. Crouch remarked with some justification that the discussion had moved from distance to measuring. He denied that the Hearing Officer had misconstrued the 1994 Agreement and argued that the main distinction or demarcation lay in fields of use. Thus, in Clause 2, display apparatus, for example, was for use in sport whereas in Clause 4(c) it was to do with science and industry. However, that argument had already been dismissed by Pumfrey J. in relation to time.

71. I have had some difficulty in following the Hearing Officer's reasoning in relation to estoppel. Instead of construing Clause 4(c) in the context of the 1994 Agreement as a whole, he seems to have decided the issue according to his previous consideration of the relationship between the measurement of time and the measurement of distance (which, in any case, I have found wanting). Clause 4(c) does not mention distance. The question is whether the contested goods nevertheless fall within its ambit.

72. I also struggled with the Hearing Officer's conclusions on liquid level. The sum of his discussion was as follows:

"At the hearing Mr Crouch referred to liquid level as an example of a distance and referred to the level of fluid in a tank, and to distance as a height. This is true in so far as it goes, in that, for example, the distance between the top and the bottom of a tank containing liquid can be measured and used to control events." (paragraph 73)

"Mr Crouch in his submissions argued that under clause 4(c) Swiss ... is prevented from objecting to the application in suit. Engineering argues that distance is a variable parameter. It considers that liquid level is the same as distance." (paragraph 94)

After which he said that since liquid level could be considered as a distance, distance was a variable parameter within Clause 4(c).

73. The fact remains that “distance” is used in other parts of the Agreement but not Clause 4(c). I think the reason is that distance is not a variable parameter within the contemplation of Clause 4(c). Distance and time are the references that form the fundamental coordinate system in Physics (see Dr. Kayal’s statement, supra, footnote 1). Of course, since distance is such a fundamental measure, it can be related back to, e.g., liquid level. However, liquid level also depends on the size of the container, the volume of liquid etc. I find it difficult to escape the conclusion that if the parties intended “distance” to be in Clause 4(c), then why did they employ “liquid level”?
74. Mr. Crouch said distance can be measured with a transducer. He was referring back to the observation of Pumfrey J. that all the quantities listed in Clause 4(c) were measured by transducer. Mr. Edenborough urged me to ignore the transducer point because: (a) that evidence was not before the Hearing Officer; (b) Pumfrey J. did not consider distance therefore his observation was irrelevant; (c) the observation was in any event obiter and not conceded by in relation to acidity and humidity listed in Clause 4(c). All I need to say here is that Pumfrey J. did not rule that everything measurable by transducer fell within Clause 4(c)².
75. The consequence of falling outside Clause 4(c) is not that Engineering is prevented from applying for distance measuring apparatus (provided, of course, that if computer controlled it complies with Clause 4(a)) simply that Swiss is not denied the right to oppose. Construing the Agreement as whole against the background of the available evidence at the time the Agreement was entered into, e.g., Swiss’ brochure describing equipment supplied for *inter alia*, the 1986 Commonwealth Games³, I find that the contested goods were not caught by the provisions of Clause 4(c). In my judgment, Swiss was not estopped from opposing Engineering’s application for registration in respect of those goods.

Relevance of estoppel to section 5

76. The parties had drawn my attention to the decision of the Court of First Instance in Case T-90/05, *Omega SA v. OHIM*, supra, on appeal from the Board of Appeal in Case R 330/2002-2, where it was doubted whether the right to oppose a Community trade mark application would be affected by a private agreement between the parties. I was also aware that co-existence agreements had been the subject of academic discussion in *State of the Art, Coexistence in Community trade mark disputes: conditions and implications*, Arnaud Folliard-Monguiral, Journal of Intellectual Property Law and Practice, 2006, Vol. 1, No. 11, pages 703 – 713 and *Trade Mark Coexistence Agreements: What is all the (lack of) fuss about?*, Matthew J. Elsmore (2008) 5:1 SCRIPT-ed, pages 9 – 30. Engineering had not raised a plea of consent under section 5(5) of the Act merely a defence of estoppel based on the terms of the 1994 Agreement. Acquiescence is provided for specifically in the Directive (article

² It seems also that Counsel may not have brought to Pumfrey J.’s attention the presence of a semi-colon after “transducers, detectors, sensors;” in Clause 5.

³ See, supra, footnote 1.

9), Community Trade Mark Regulation (article 54) and the Act (section 48) as a defence to invalidity. However, there is no equivalent saving in respect of opposition. In those circumstances, I invited the parties at the appeal hearing to provide me with written submissions regarding the relevance of estoppel to opposition under section 5. Very helpful submissions were provided with the parties I think agreeing that the pivotal issue was consent under section 5(5). Engineering contended that consent was implicit in Clause 4(c) and its pleadings. On the other hand, Swiss argued exactly to the contrary⁴.

77. In the event, resolution proved unnecessary since I had decided that on its proper construction, the 1994 Agreement did not preclude Swiss from opposing the contested goods. However, I note that in Case R 1167/2006-1, *British Sky Broadcasting Group plc v. Vortex (Société Anonyme)*, 27 November 2007, consent was similarly argued in relation to a pre-existing settlement agreement⁵ although again the application in hand did not fall within its terms.

Are the contested goods registrable?

78. It remains for me to determine the outstanding objection under section 5(2)(b) in accordance with the ECJ principles described above. I propose to omit from my present consideration Swiss' CTM application number 226027. As explained, CTM 226027 is the subject of ongoing opposition/appeal and any decision based thereon would be provisional. Should it prove necessary, I shall revisit that application at the end of my decision.
79. The Application is for the mark OMEGA.CO.UK. The opposition is based on the figurative mark Ω (Greek capital letter OMEGA) and OMEGA (UK 2052200, UK 699057, UK 1456848, represented at paragraph 5 above) and the word mark OMEGA (CTM 7320229). The Hearing Officer held that there was a very high degree of similarity between OMEGA the distinctive element of the mark applied for, OMEGA.CO.UK and Swiss' four earlier trade marks. There was no appeal against that finding and in any event, I agree.
80. The Hearing Officer's findings that the earlier marks were possessed of a high degree of inherent distinctive character in relation to the registered products and enjoyed a reputation for sophisticated timing devices for sporting events, watches including ladies and gents watches, diving watches and chronographs and time display apparatus for passenger transport terminals were also undisputed. I find that as a result of that recognition on the market, and in accordance with *Sabel* and *Canon*, the earlier trade marks are entitled to an enhanced penumbra of protection through use.
81. Turning to a comparison of the goods and services, *Canon* instructs that account must be taken of *inter alia* their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The contested goods of the Application are:

⁴ Mr. Edenborough raised queries on article 4(5) of the Directive and the lack of corresponding provision on opposition in the Community Trade Mark Regulation, which he thought were not *acte claire*.

⁵ Other arguments included *abus de droit* and gross inequity.

Class 9

Apparatus for checking and measuring distance; computer controlled apparatus for checking and controlling the measurement of distance; all for science and/or industry.

The nearest earlier specifications are UK 699057, UK 1456848 and CTM 7320229 as follows:

UK 699057 – Class 9

Measuring and signalling apparatus and instruments, all for use in sport; but not including calculating machines nor instruments and apparatus for measuring, signalling and checking (supervision) of heat and temperature for scientific and industrial use

UK 1456848 – Class 37

Maintenance and repair of measuring, checking, optical and signalling apparatus and instruments, all the goods being maintained and repaired being for use in sport; maintenance and repair of horological and chronometric instruments and of public information display apparatus and instruments; information services relating to all the aforesaid; all included in Class 37; but not including maintenance and repair of heat and temperature measuring, checking and signalling apparatus and instruments, all for scientific and industrial use

CTM 7320229 – Class 42

Creation of designs and models; research and development in the field of measuring and checking time and distance, management and dissemination of information, in particular for use in transport, advertising, banking and sport; computer programming used in clocking device installations, installations for checking, measuring time and distance and in installations for acquisition, transmission, management and dissemination of information; all the aforesaid services relating in particular to transport, advertising and banking and sporting activities; but none of the aforesaid goods being applied to science and industry and relating to measuring and controlling variable parameters such as temperature, pressure, force, load, vibrations, electrical conductivity, liquid levels, acidity, humidity, deformation and flow.

82. Apparatus for measuring distance (including computer controlled apparatus for measuring distance) falls within the specification applied for and the specification of UK 699057. I did not understand Engineering to dispute that the nature, intended purpose and method of use were the same. To that extent therefore the goods are similar. Mr. Crouch argued that the limitations for use in sport on the one hand and for science and/or industry on the other hand meant that the goods had different distribution channels which sufficed to differentiate them. Engineering produced no evidence of this and I must therefore decide the question as best as I can. I think Mr. Crouch had in mind the present activities of the parties particularly his client. However, I must judge the similarity of the goods according to the disputed specifications bearing in mind prospective use. The definitions of science in the Oxford English Reference Dictionary include: (a) “systematic and formulated knowledge especially of a specified type or on a specified subject”; (b) “the pursuit or principles of this”; (c) “an organised body of knowledge on a subject”. I believe I can take judicial notice of the fact that sport is regarded as a science. Equally, “industry”

is defined as “a branch of trade or manufacture” and would encompass the sports industry. In my view, there is some degree of overlap in the specifications.

83. As far as I can tell, the Hearing Officer did not address the question of who was the relevant consumer. It seems to me that the width of both specifications could encompass any manner of public. I conclude therefore allowing for the lack of evidence on the issue that there is at least a moderate if not a significant degree of similarity between the contested goods and the goods in UK 699057.
84. The services in Swiss’ CTM 7320229 in Class 42 cover research and development in the field of measuring time and checking time and distance, and computer programming used in installations for checking, measuring time and distance. The specification says that the services are in particular for use in or relating to transport, advertising, banking and sport. Quite apart from the point that “industry” would in my view take in transport, advertising and banking (my above comments regarding sport also apply here), the words “in particular” mean that other fields might be included.
85. Swiss’ UK 1456848 specifies the maintenance and repair of measuring and checking apparatus. That would include maintenance and repair of apparatus for measuring and checking distance. Swiss’ services are qualified by the words: “all the goods being maintained and repaired being for use in sport”. Since, however, as I have already indicated sport can be considered both a science and an industry, it seems to me that the specification of 1456848 might include maintenance and repair of apparatus for checking and measuring distance falling within the Application.
86. The likelihood of confusion for section 5(2)(b) must be assessed globally taking into account the recognition of the earlier trade mark on the market, the association which can be made with the earlier trade mark, the degree of similarity between the marks and the goods or services. Those factors are interdependent so that a lesser degree in similarity in the goods or services can be overcome by a greater degree of similarity in the marks and vice versa. Further, the more distinctive the earlier trade mark, the greater its scope of protection. I have found that there is a high degree of similarity between the earlier trade marks and the mark applied for, and that the earlier trade marks are possessed of enhanced distinctive character. I have also found that the contested goods in the Application and goods and services in the earlier trade marks UK 699057, UK 1456848 and CTM 7320229 are similar. In my judgment, the likelihood of confusion is made out.
87. Accordingly it is unnecessary for me consider CTM application number 226027, which as I have said is the subject of ongoing objection by Engineering.

Conclusion

88. The result is that Engineering’s application to adduce further evidence and appeal were unsuccessful. Swiss’ appeal was successful on both counts and its opposition against the contested goods succeeded.

Costs

89. The Hearing Officer ordered Engineering to pay £1,100 towards Swiss' costs of the opposition. His award recognised that Swiss' opposition had been largely successful but also incorporated deflations reflecting *inter alia* Swiss' abandoned grounds and both parties' use of evidence from previous proceedings.
90. I will increase that award to £1,300 to reflect Swiss' now successful opposition against the contested goods. Additionally, I will order Engineering to pay Swiss the sum of £1,500 towards Swiss' costs of Engineering's application and appeal, and Swiss' appeal. Such sums are to be paid by Engineering to Swiss within 28 days of the date of my decision.

Professor Ruth Annand, 7 September 2009

Mr. David Crouch of Messrs. Bromhead Johnson appeared on behalf of Omega Engineering Inc.

Mr. Michael Edenborough of Counsel instructed by Messrs. Mewburn Ellis LLP appeared on behalf of Omega SA (Omega AG) (Omega Ltd)