

O-207-11

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2514537  
IN THE NAME OF BECRYPT LIMITED

AND

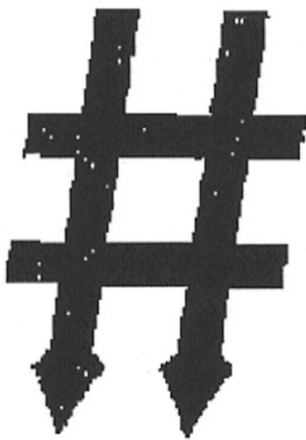
OPPOSITION THERETO UNDER NO 99246  
BY PORTCULLIS COMPUTER SECURITY LIMITED

## TRADE MARKS ACT 1994

IN THE MATTER OF application  
No. 2514537 in the name of BeCrypt Ltd  
and opposition thereto under No. 99246  
by Portcullis Computer Security Ltd

### **Background**

1. Application No. 2514537 stands in the name of BeCrypt Ltd (“Becrypt”) and was applied for on 24 April 2009. Registration is sought for the following trade mark:



2. Registration is sought in respect of the following goods and services:

#### Class 9

Computer software; computer firmware; computer programs; digital media; databases; electronic publications

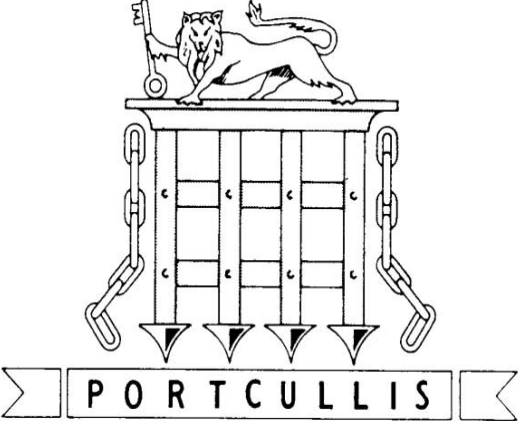


#### Class 42

IT consultancy services; design services; computer services; computer consultancy services; computer software consultancy; computer hardware consultancy; computer programming; computer systems design and development; computer systems analysis; research, design, creation and development of computer software; leasing, rental and hire of computer software; maintenance, updating and upgrading of computer software; computer software support services; design of data processing systems and data processing networks; providing data network services; conducting feasibility studies; conversion of data or documents from physical to electronic media; information, advisory and consultancy services relating to all the aforesaid services

#### Class 45

Licensing of computer software

3. Following publication of the application in the *Trade Marks Journal* on 5 June 2009, Notice of Opposition was filed by Portcullis Computer Security Ltd (“PCS”). The opposition is based on grounds under Section 5(2)(b) of the Act. PCS rely on the following registrations:

Registration	Relevant dates	Specification
 <p>1329991</p>	<p>Application date: 18.12.1987</p> <p>Registration date: 4.8.1989</p>	<p>Computers; computing apparatus and instruments; computer programs; security apparatus and instruments for the purpose of preventing data theft and computer fraud; parts and fittings for all the aforesaid goods; all included in Class 9</p>
<p>2351234 (series of two)</p> 	<p>Application date: 12.12.2003</p> <p>Registration date: 18.6.2004</p>	<p>Computers; computing apparatus and instruments; computer programs and software; security apparatus and instruments for the purpose of preventing data theft and computer fraud; parts and fittings for all the aforesaid goods; all included in Class 9; security apparatus and devices for use with computer apparatus and instruments and computer software</p>
<p>2449441 (series of two)</p> 	<p>Application date: 14.3.2007</p> <p>Registration date: 31.8.2007</p>	<p>Testing of security products, systems, networks, installations</p>

4. PCS states the mark applied for would be recognised by members of the public as being a portcullis device and that there is a very high degree of similarity between the respective goods and services. It goes on to state the parties are in direct competition and that confusion between the respective marks is bound to occur.

5. Becrypt filed a counterstatement in which, essentially, it denies the claims made. It also puts PCS to proof of use of its mark No. 1329991 in relation to all the goods for which it is registered.

6. Both parties filed evidence as well as skeleton arguments (and supplementary skeleton arguments in the case of Becrypt) in preparation for a hearing which took place before me on 8 April 2011. At that hearing Becrypt was represented by Mr Paul Kelly of Alexander Ramage Associates LLP, its trade mark attorneys in these proceedings. PCS was similarly represented by Mr Simon Malynicz of counsel instructed by Shoosmiths. Some of the evidence filed has been made the subject of an order for confidentiality such that it is not open for public inspection. For reasons that will become clear, I do not intend to complete a full summary of the evidence but will refer to it as necessary in this decision, taking the order for confidentiality into account as appropriate.

## **Decision**

7. The opposition is founded on section 5(2)(b) of the Act which states:

(2) A trade mark shall not be registered if because -

- (a) ...
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

8. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) 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,
- (b) .....
- (c) .....

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

9. PCS is relying on the three registrations shown above in paragraph 3. All are earlier trade marks within the meaning of the above provisions. Whilst earlier mark No. 1329991 is subject to proof of use as per the Trade Marks (Proof of Use, etc.) Regulations 2004, registration Nos. 2351234 and 2449441 are not. In view of this, coupled with the fact that these latter two registrations cover goods and services in classes 9 and 42, whereas 1329991 covers only goods in class 9, it is these latter marks that I will use when making the comparison.

10. 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 v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77, *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di Laudato & C. Sas v OHIM* C-334/05 (Limoncello). As cited with approval in *Och-Ziff Management Europe Ltd and Oz Management LP v Och Capital LLP, Union Investment Management Ltd and Ochoki* [2010] EWCH 2599 (Ch) it is clear from these cases that:

- (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 to be reasonably well informed and reasonably circumspect and observant, but who 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 whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) 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;
- (h) 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;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) 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;
- (k) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

11. In essence, the test under Section 5(2)(b) is whether there are similarities in marks, goods and services which, when taking into account all the surrounding circumstances, would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address factors such as the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements and taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed.

### **Comparison of goods and services**

12. In its skeleton arguments Becrypt submits that it had filed evidence to show the parties “are not in direct competition” and that “as a result of the different markets, there is no overlap between the goods and services which are not similar in nature”. Given that both parties have attended and run stands at the same specialist exhibition (Pack 4, exhibit 1 to Mr Lane’s statutory declaration) this seems unlikely, but in any event, as was made clear at the hearing, I have to consider the goods and services as registered and applied for which are not limited in any way. As was stated in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-414/05*:

“71 The Court considers, first, that that assessment by the Board of Appeal is not called in question by the particular conditions in which the applicant’s goods are marketed, since only the objective marketing conditions of the goods in question are to be taken into account when determining the respective importance to be given to visual, phonetic or conceptual aspects of

the marks at issue. Since the particular circumstances in which the goods covered by the marks at issue are marketed may vary in time and depending on the wishes of the proprietors of those marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, namely 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 of the trade mark proprietors-whether carried out or not-which are naturally subjective ( see, to that effect, *NLSPORT, NLJEANS, NLACTIVE and NLCOLLECTION*, cited at paragraph 61 above, paragraph 49 and Case T-147/03 *Devinlec v OHIM-TIME ART (QUANTUM)*[2006] ECR II-11, paragraphs 103 to 105, upheld on appeal by the Court by judgment of 15 March 2007 in Case C-171/06 P *TIME ART v OHIM*, not published in the ECR, paragraph 59).”

13. For ease of reference, the goods and services to be compared are as follows:

Becrypt's application	PCS' earlier marks
Computer software; computer firmware; computer programs; digital media; databases; electronic publications	Computers; computing apparatus and instruments; computer programs and software; security apparatus and instruments for the purpose of preventing data theft and computer fraud; parts and fittings for all the aforesaid goods; all included in Class 9; security apparatus and devices for use with computer apparatus and instruments and computer software (2351234)
IT consultancy services; design services; computer services; computer consultancy services; computer software consultancy; computer hardware consultancy; computer programming; computer systems design and development; computer systems analysis; research, design, creation and development of computer software; leasing, rental and hire of computer software; maintenance, updating and upgrading of computer software; computer software support services; design of data processing systems and data processing networks; providing data network services; conducting feasibility studies; conversion of data or documents from physical to electronic media; information, advisory and consultancy services relating to all the aforesaid services	Testing of security products, systems, networks, installations (2449441)
Licensing of computer software	

14. In comparing the goods and services of the respective marks, all relevant factors relating to the goods and services in the respective specifications should be taken into account. In *Canon* the ECJ stated, at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods and services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

15. Guidance has also come from Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

- “(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 services;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-service 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.”

16. In terms of whether goods and services are complementary, I take note of the following comments made in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“It is true that goods 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 those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM-Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM-Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM-Bolaños Sabri (PiraÑam diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”



17. The decision in *British Sugar* confirms that “in construing a word used in a trade mark specification, one is concerned with how the product or service is, as a practical matter, regarded for the purposes of the trade.” I must also bear in mind that words should be given their natural meaning within the context in which they are used rather than being given an unnaturally narrow meaning (see *Beautimatic International Pharmaceuticals Ltd and Another* [2000] FSR 267). But I must also be aware of not giving a listed service too broad an interpretation. As Jacob J. stated in *Avnet Incorporated v Isoact Limited* [1998] FSR 16:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meaning attributable to the rather general phrase.”

18. Finally, I also take note of the decision in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks & Designs) (OHIM) MERIC Case T-133/05* whereby goods and services are considered to be identical when those covered by an earlier mark are included within a broader term included within a later mark and vice versa.

19. *Computer software* and *computer programs* appear in both Becrypt’s application and earlier mark No. 2351234 and are identical goods. *Computer firmware* are types of programming held permanently in a computer’s read-only memory and are therefore also identical goods to *computer programs*. *Digital media* is an umbrella term covering a variety of electronic media which stores data in digital form and which is then processed using computer hardware. *Digital media* will include e.g. computer programs stored on a CD ROM and thus these are highly similar, if not identical goods to *computer programs* of the earlier mark. *Databases* are collections of data produced and retrieved by a computer and are highly similar, if not identical, to *computer programs and software*. *Electronic publications* are publications in digital form. The publications include programs and databases available on e.g. CD or for download from the Internet or in HTML or word processing format. Accessed through computers I consider them to be highly similar to *computer programs and computer software*.

20. *IT consultancy services, computer services, computer consultancy services, computer software consultancy, computer hardware consultancy, computer programming, computer systems design and development, computer systems analysis, maintenance, updating and upgrading of computer software, design of data processing systems and data processing networks, providing data network services and information, advisory and consultancy services relating to these services* all relate to and would include the testing of systems, networks and installations, That being the case, they are identical services to those of PCS’ earlier mark.

21. The term *design services* is a broad one which would include both the design of testing systems and the testing of design systems. I consider them to be identical services to those of the earlier mark. Similarly, *information, advisory and consultancy services relating to design services* are also identical services.

22. *Research, design, creation and development of computer software, leasing, rental and hire of computer software and computer software support services* all, self-evidently relate to computer software. Given the commonality of users and trade channels and the symbiotic nature of computer software with its creation and use, I consider these to be complementary, and therefore similar, goods and services. Similarly *information, advisory and consultancy services relating to these services* are also similar services to computer software.

23. *Conducting feasibility studies* is another broad term which refers to the determination of the practicability of e.g. a system or plan. Given that this would involve the auditing or testing of the system under review, I consider them to be highly similar, if not identical to the services of the earlier mark. Similarly *information, advisory and consultancy services relating to these services* are also similar services.

24. *Conversion of data or documents from physical to electronic media* is a service which leads to the creation of electronic media containing the converted information. In my view these are highly similar to computer programs and software. Both will be used with computer equipment and by the same customers to retrieve, manipulate, collate or identify information. Similarly *information, advisory and consultancy services relating to these services* are also similar services.

25. That leaves *licensing of computer software*. Computers are often sold with pre-loaded software. Whether preloaded or not, software is often sold with a licensing agreement, a fact of which, in my view, the average consumer of these goods and services will be aware. Whilst the nature of these services differs from those of the goods of the earlier marks, the users will be the same and they will be sold together (often as part of the same package) and through the same outlets. I consider these to be highly similar goods and services.

### **The average consumer and the purchasing process**

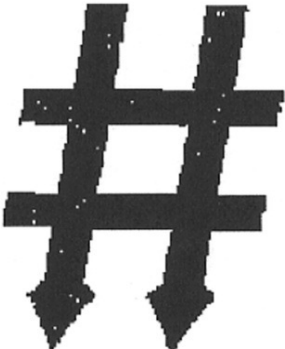
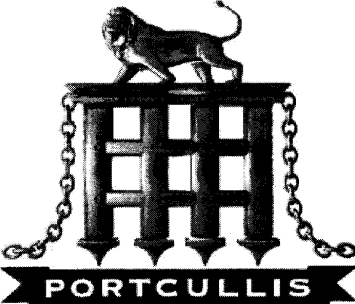
26. Computers and their associated systems are ubiquitous and the average consumer of the goods of the application will be the general public. The general public is also the average consumer of the services of the application as applied for in classes 42 with the exception of *computer systems analysis, research, design, creation and development of computer software, design of data processing systems and data processing networks, providing data network services, conducting feasibility studies* and *conversion of data or documents from physical to electronic media* which are services more likely to be used by a business. Whilst most, if not all, software is sold under licence and used by the general public, *licensing of computer software* as a service of itself in class 45 is more likely to be a service used by a business producing software.

27. The goods of the earlier mark (2351234) are also used by the general public. Whilst many members of the public would use e.g. software to provide e.g. firewalls, anti-spyware or other anti-virus protection, the *testing of security products, systems, networks, installations* as a service of itself is more likely to be one used by a business.

28. All of the goods and services are likely to be an irregular purchase with costs ranging from perhaps a few pounds for an off-the-shelf simple program to many thousands (perhaps hundreds of thousands) of pounds for the development, installation, maintenance and security of a bespoke computer network. Even where the cost is relatively inexpensive, some care is likely to be taken over the purchase given the need to consider issues such as compatibility and performance. Where the goods and services involve security and anti-fraud measures or are intended to become or to be used as or with a network of computers, or involve a bespoke system, a great deal of care will be taken over the purchase. Whilst the goods in class 9 are such as may be purchased off-the-shelf and from a retail environment, whether in-store or online, they also may be highly technical and specialised and produced to the customer's individual requirements as a result of a commission direct from the supplier following negotiations and contractual agreements. The services in classes 42 and 45 are those for which the average consumer is only likely to engage a company after having satisfied himself that the services and the company supplying them are suitable for the project, whether large or small, he has in mind. In each scenario visual considerations are likely to play a significant part in the process though not to the extent that other considerations can be ignored.

**Comparison of marks**

29. Registration Nos. 2351234 and 2449441 are both for a series of two marks each of which differ only in respect of their colour. I therefore intend to consider them as a single mark, which is how the parties approached the comparison at the hearing. Again, for ease of reference, I set out the marks to be compared:

Becrypt's mark	PCS's earlier mark
	

30. Becrypt submits: "When the respective Trade Marks are considered in their entirety, the comparison is between a Trade Mark consisting of the word PORTCULLIS, a gate-like device and a lion, whereas [Becrypt's] Trade Mark [...] is an abstract device that would be perceived as a hash device. As consumers perceive marks as a whole, the Trade Marks are visually, aurally and conceptually different. The overall impression conveyed by the respective Trade Marks on the relevant consumer, having regard to the Trade Marks in their entirety is different."

31. For its part PCS accepts that the marks are "drawn differently" and that its mark contains a device of a lion and the word PORTCULLIS which the mark applied for does not but submits that they "share a recognisably similar element, namely the

portcullis feature viewed from the front aspect". It submits that as this element is "the entirety of [Becrypt's mark]" and the largest and most dominant visual feature of [the earlier mark]... [t]he overall visual effect is that the contested mark is a simplified, "less busy" version of the earlier mark [-]". Referring me to Case T-389/03 *Dainichiseika Colour & Chemicals v OHIM, (Pelikan)*, PCS submits that both marks "depict a portcullis [and that] because the word PORTCULLIS describes the thing depicted in the earlier mark [-] that only reinforces the similarity". Taking all matters into account PCS submits that there is a modest level of visual similarity between the respective marks. With reference to the aural consideration, it submits that "the marks have a phonetic identity or at least a high degree of similarity, taking account of the propensity of consumers to refer to device marks by their semantic content." Finally, as regards the conceptual consideration it submits "there is conceptual identity (or near identity if one takes account of the lion devices in the earlier marks, which the opponent contends are decorative and do not add much to the overall meaning of the mark)."

32. A number of cases have considered the relevant factors to be taken into account where composite trade marks are involved. In *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P the CJEU stated:

"41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29)."

33. In *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-498/07 P, it was stated:

"60 According to further settled case-law, the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (see *OHIM v Shaker*, paragraph 35 and the case-law cited).

61 In particular, the Court has held that in the context of examination of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29; and *OHIM v Shaker*, paragraph 41).

62 In that regard, the Court has also held that, according to established case-law, the overall impression created in the mind of the relevant public by a

complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43 and the case-law cited).

34. PCS's earlier mark consists of what both parties agree to be the gate of a portcullis from the top of which chains hang down each side. Surmounted on the gate is a device of a lion which appears to be walking on all fours whilst below it is a banner device bearing the word PORTCULLIS. Each of these elements is a distinctive one however it is the device of the gate of the portcullis which is the dominant element given its size and position within the mark.

35. Becrypt's mark is composed of two, relatively short, horizontal lines intersected, slightly off from the vertical, by two longer lines, each of which has a spike at its lower end. It has no distinctive or dominant element; the distinctiveness lies in the totality.

36. In his witness statement, filed on behalf of Becrypt, Mr Andrew Varney, its Chief Financial Officer, refers to Becrypt's mark as a hash device. PCS challenge this and, as indicated above, refer to it as a "portcullis feature viewed from the front aspect". In support of its interpretation Mr Mark Stephen Lane, PCS's Managing Director, exhibits, at ML01, an extract taken from the website of the company responsible for designing the device. The extract indicates that the company "created a simple visual which reflected a combination of computing and security: a 'hash mark' is commonly used in coding and we modified it to reflect a medieval portcullis." I do not consider this extract supports PCS's view that the device is "a portcullis feature" any more or less than it supports Becrypt's view that it is "a hash symbol" but in any event what the designer may have had in mind is not relevant: I have to consider what the average consumer would make of the mark.

37. It is possible (I put it no higher than that), that the mark could bring many things to mind, e.g. a grid used when playing tick-tack-toe, a piece of trellis, the musical symbol indicating the accidental of a sharp or, particularly so when used in connection with computers programmes and related services, a hash or number symbol but the spiked ends of the longer lines, which would not be overlooked, would make these interpretations unlikely. Because of these spiked ends it is possible that others could bring to mind a part of a barrier such as a portcullis gate but the open ended nature of the grid pattern would make this interpretation equally unlikely. In my view, whilst the device may be reminiscent of many things, of itself I do not consider the average consumer would accord it any particular conceptual meaning. It is an abstract device.

38. From the visual perspective there is a degree of similarity between the marks given the commonality of spiked, interlocking lines within them although the number, style and layout of these lines clearly differ. There are also significant visual differences in that the earlier mark also has the additional elements of the banner with word PORTCULLIS within it, the chains and the lion none of which would be overlooked.

39. From an aural perspective, given that the word PORTCULLIS appears within the earlier mark and the dominant part of the mark clearly depicts a portcullis, the average consumer will refer to the mark as portcullis. As to the mark applied for, PCS submit that it “may also be referred to as “portcullis” as that is what the device depicts”. For reasons I have already given, I do not consider the mark would be seen as depicting a portcullis (or even part of one). It is, instead, a device mark with no particular meaning and I do not consider that aural/oral considerations will come into play.

### **Likelihood of confusion**

40. The likelihood of confusion must be appreciated globally, taking account of all relevant factors. The matter must be judged through the eyes of the average consumer. The decision of the General Court in *New Look Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 and T-171/03, indicates that the circumstances in which the relevant goods and the marks are encountered by the consumer, particularly at the point at which the purchase is made, is an important consideration. But I also have to make an assessment of all relevant factors and take into account the fact that the consumer will rarely have an opportunity to compare marks side by side but will instead rely on the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co, supra*). Another factor to be taken into account is the distinctive character of the earlier trade mark having regard to its inherent characteristics and the reputation it enjoys with the public.

41. Evidence on behalf of PCS was filed in the form of a witness statement by Ms Sally Ann Schupke of Chancery Trade Marks, its former legal representatives, and in the form of a statutory declaration by Mr Mark Stephen Lane, Managing Director of PCS.

42. Ms Schupke’s witness statement introduces a single exhibit which she describes as a mailshot. The document is in the form of a report which Ms Schupke states “provides an insight to the size of the UK IT security industry in 2009’. She goes on to state her view that it shows that PCS is well-known in the IT security industry. She also states that it shows ‘the IT (sic) is relatively small and specialist”.

43. The report is entitled ‘A review of the UK IT Security industry in 2009-what you need to know about your market going into 2010’ and indicates that it was prepared by a senior analyst at Plimsoll analysts. Section 4 is entitled ‘Profit Performance’ and notes that some 209 companies in this field have been assessed (it does not indicate how the companies were identified or chosen). Nowhere in the report is there a mention of PCS. In fact only one company is mentioned by name when it is described as a larger company. Whilst section 2 of the report is entitled “Winners and losers in the market” no details of that market (in terms of volumes of sales etc.), are given. Section 5 is entitled “Acquisition prospects by size” and grades 208 companies within various monetary bands but it is not explained whether this grading is based on e.g. the companies’ turnover values, their possible acquisition price or some other basis. Other than this document showing there to be at least several

hundred companies operating in the UK in the relevant industry in 2009, which belies the claim the industry is a small one, I find the report to be of no assistance.

44. The evidence of Mr Lane is somewhat more illuminating. Mr Lane states he has been the Managing Director of PCS for some 18 years. The 'Invitation to Infosecurity 2000' in Pack 2 of exhibit 1, indicates that PCS was founded in 1986 whereas, in contradiction, the 'ABOUT PORTCULLIS' leaflet in Pack 3 of that exhibit states it was founded in 1992. Whatever the actual date the company was founded, there is no dispute that it has been in existence for some years.

45. Mr Lane gives evidence of "annual revenue figures relating to sales of goods under the mark". These figures are for the "years ended" 2007, 2008 and 2009. No figures are given of any sales in respect of services under the mark. The figures for goods sold are subject to an order for confidentiality and, whilst it is fair to say they are not insignificant sums of themselves, I have no idea of how these relate to the market as a whole, a market which, I have no doubt, is immense.

46. Exhibit 2 to Mr Lane's statutory declaration consists of a selection of 13 invoices from PCS to various customers within the UK. The invoices date from between 20 December 2002 and 21 January 2011 and therefore some are from after the relevant date. Some refer to the provision of various anti-virus software and licences, others to the provision of testing services and still others charge for associated accommodation and travel expenses incurred when providing other services to customers. Each of the invoices is for an amount of either five or six figures. Invoices dated April 2007 and earlier show PCS's mark as registered under No. 1329991 whereas latter invoices show the earlier mark which forms part of my consideration.

47. No specific advertising or promotional figures are provided. Mr Lane states it is "difficult to itemise exactly how much my company spends on promoting and advertising their goods" though he does say it is "very substantial". He states PCS attends numerous exhibitions, conferences and marketing events at which "we have proudly displayed the Portcullis brand using the word and logo". He states that since 2000 "thousands of promotional goods" have been distributed to clients and potential customers. Attached to his statutory declaration are the following exhibits:

Exhibit 1: The exhibit contains various packs of promotional materials as follows:

Pack 1: This includes what is described as "A call to arms" folder. The folder is undated but gives details of "The Portcullis range of computer security products and services" and contains separate details of its work in the areas of 'workstation security', 'diskette authorisation', 'dial-up security', 'WAN encryption', LAN security' and 'virus defences'. The folder refers to 'Portcullis' throughout and, on the back of the folder is shown mark No 1329991 and contact details of PCS;

Also included in this pack is what appears to me to be a promotional newsletter with a copyright date of 1988. It is named BUZZwords. Whilst the newsletter contains an article referring to Mr Lane he is

described as the Manager of a company named Loadplan. Indeed the newsletter is described as 'The official organ of Loadplan Limited' and the article talks of Loadplan's launch of "probably the most advanced security product for IBM or compatible PC's". No explanation is given in the evidence of any relationship Loadplan has or had with PCS;

There is a photograph said to be "Portcullis stand 1988" though no details are given of where this stand was located. The photograph bears reference to Loadplan and shows the outline of a portcullis device mark similar to that shown in 1329991;

A 'Loadplan' brochure bearing a copyright date of 1988. The brochure contains a reply card for readers to send to Loadplan Ltd seeking to arrange a 'Portcullis demonstration';

Pack 2: An undated PCS document wallet showing contact details of PCS and Mr Lane which shows the earlier mark. The wallet contains the following, all of which show the earlier mark;

An undated leaflet giving details of PCS's BIGfire firewall system;

An undated leaflet giving details of PCS's BABYLON ISDN Communication security system;

An undated leaflet entitled 'Confidential Report' of the Guardian Angel system. PCS's name and contact details are given on the back of the leaflet;

An undated leaflet entitled Data Access Defender (DAD) which is described as "an alternative solution to Anti-Virus software" and a 'module of Guardian Angel'. PCS's name and address details and given on the back of the leaflet;

A reprint from SECURE Computing magazine dated 1996 promoting DAD and Guardian Angel;

An undated brochure giving details of PCS's PENS encryption system and contact details for PCS;

An undated leaflet entitled 'Confidential Report' of the PENS encryption system and giving contact details for PCS;

An undated leaflet advertising the 'Portcullis ENS' system and giving PCS's contact details;

A leaflet advertising PCS's attendance at the INFOSECURITY 1997 exhibition in London;

A leaflet advertising PCS's attendance at the INFOSECURITY 1998 exhibition in London;



A card inviting recipients to PCS's stand at the INFOSECURITY 2000 exhibition in London. The card details that PCS was founded in 1986 and describes itself as "one of the UK's leading IT security providers";

A brochure giving details of PCS. Though undated, the brochure quotes from the March 1996 issue of Secure Computing Magazine and refers to the 'Portcullis Team, formed in 1986';

Pack 3: There is another undated document wallet which contains the following material all of which show the earlier marks:

A card inviting recipients to the "Portcullis Arms 2009 at the Prince of Wales". No explanation is provided of what this might be;

Seven undated leaflets giving contact details for PCS and which provide information on various security systems and testing services offered by the company;

A leaflet bearing the reference 'Copyright [PCS] 2008-2009' and entitled 'About Portcullis'. The leaflet states that 'Portcullis is privately owned and managed by the very same Directors that founded the company in 1992' and whose 'focus is security services'. The leaflet also gives details of PCS's digital forensic and testing services;

An invitation to an event organised by PCS in November 2000 in London giving attendees an 'informative and educational collection of sessions on the security threats currently being exploited by attackers and the countermeasures available to corporate enterprises';

A leaflet giving details of PCS's attendance at a cyber risks and data management seminar in March 2008;

A leaflet bearing a copyright date of 2000 about PCS's PENS DRAGON system which detects network misuse and passive vulnerability monitoring;

A leaflet on 'security in cyberspace' bearing a copyright date of 1996-1997 and giving contact details for PCS;

A leaflet on anti-virus technology which is undated but refers to awards given to third parties in 1997 and 1998. The leaflet also gives contact details for PCS;

Pack 4: Promotional brochures in the form of delegate packs for the IA07, IA08 and IA09 exhibitions described as the Government Symposium on Information Assurance, each of which took place in London in 2007, 2008 and 2009. Each of the programmes shows the earlier mark. All also show that both BeCrypt and PCS exhibited at each exhibition;

A menu for a lunch said to be sponsored by 'Portcullis' at Gleneagles in May 2006 and which shows the earlier mark;

A brochure giving details of a ChildLine charity event. It indicates the event was due to take place in London in January 2009. The brochure contains an advertisement for PCS and shows the earlier mark;

Pack 5: A collection of undated photographs showing various stands at exhibitions. There are also photographs of various pubs and a pizzeria bearing advertising banners. Another photograph shows a group of people posing with umbrellas. No explanation is given for these photographs. There is also a CD which gives contact details on it for PCS. Finally, there is a printout taken from the online version of ComputerWeekly.com which refers to the Infosec 2009 exhibition. Most of these items show the earlier mark;

Pack 6: A substantial collection of invoices and till receipts dating between 2005 and 2009. The invoices are all addressed to PCS and refer to a variety of purchases for food, accommodation and to clothing and other promotional items.

The remainder of this exhibit consists of what Mr Lane describes as 'testimonials'. There are 11 photocopied letters and emails dated November/December 2009. Most are headed "to whom it may concern" and all appear to have been solicited for these proceedings. The documents are in very similar format and detail how long the writer has "known of", "had interaction with", "known and worked with" or "done business with" PCS. The periods range from 2 to 17 years. Whilst each refers to the potential for confusion between two similar marks, none of them specify which particular marks the writer had in mind. I give this element of the evidence no weight.

48. Whilst, as indicated, the evidence suffers from a number of deficiencies, when taken as a whole I am prepared to accept that the use shown is likely to have enhanced the inherent distinctive character of the earlier mark, though to what exact degree, I am unable to say.

49. In his statutory declaration, Mr Lane states that instances of confusion have already arisen as a result of Becrypt's use of its mark. He says that PCS's customers "brought this matter to my attention when they observed the applicant's mark at the InfoSecurity Exhibition in Earls Court during April 2009". He provides no further details of what exactly was said to him or by whom and there is no evidence of what these people actually saw. I am unable to give this evidence any weight.

50. In summary, I have found: the trade marks at issue have some degree of visual similarity but they also have significant visual differences; the trade marks have no similarity from either a conceptual or an aural perspective; the respective goods and services are either identical or highly similar and would be an irregular purchase; that purchase is at least a relatively specialist one which will involve a degree of care for all goods and services and for more specialist, technical and bespoke goods and

services will involve a high degree of care. Whilst I accept it is possible (and I put it no higher than that) that some people, on seeing the mark applied for, may see something reminiscent of part of a portcullis and may even bring to mind the earlier mark, what has to be identified is a likelihood of confusion and not simply a possibility of confusion. Particularly given the very clear visual differences between the respective marks and the careful nature of the purchasing process, I am not satisfied that such a likelihood exists. The opposition based on section 5(2)(b) of the Act fails in its entirety.

### **Costs**

51. PCS's opposition has failed and BeCrypt is entitled to an award of costs in its favour. I make the award on the following basis:

For reviewing the Notice of Opposition and filing a counterstatement	£300
For filing and reviewing evidence	£800
For preparation for and attending a hearing	£400
Total	£1500

52. I order Portcullis Computer Security Limited to pay BeCrypt Limited the sum of £1500 as a contribution towards its costs. 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 these proceedings if any appeal against my decision is unsuccessful.

**Dated this 16 day of June 2011**

**Ann Corbett  
For the Registrar  
The Comptroller-General**