

O/035/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION 2508842
BY PRECISION DESIGN TECHNOLOGY TO REGISTER THE TRADE MARK**

CREATIV4IT

IN CLASSES 9 AND 42

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 99283
BY CREATIVE TECHNOLOGY LTD**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2508842
By Precision Design Technology to register the trade mark**



and

**IN THE MATTER OF opposition thereto under No 99283 by Creative
Technology Ltd**

BACKGROUND

1. On 14th February 2009, Precision Design Technology Ltd ('Precision') applied to register the mark as above in classes 9 and 42. The goods and services for which registration is sought, following amendment, is as follows:



Class 9

Computer software for use in the development of information systems.

Class 42

Software design and development services all in connection with information systems.

2. The application was allocated number 2508842 and was published in the Trade Marks Journal on 3rd April 2009 and on 3rd July 2009 Creative Technology Ltd ('Creative') lodged an opposition against the goods and services specified above.
3. Creative has opposed on the basis of sections 5(2)(b), 5(3) and 5(4)(a) of The Trade Marks Act 1994 ('the Act'), citing the following earlier marks and signs:

Mark. Filing and registration dates	Goods and services relied upon under section 5(2)(b)
<p data-bbox="237 302 505 338">UK 2107112 ('112)</p>  <p data-bbox="237 527 461 562">6th August 1996</p> <p data-bbox="237 600 448 636">12th June 1998</p> <p data-bbox="237 709 529 745">CTM 4698361 ('361)</p>  <p data-bbox="237 1104 493 1140">18th October 2005</p> <p data-bbox="237 1178 509 1213">7th December 2006</p>	<p data-bbox="764 310 878 346">Class 9</p> <p data-bbox="764 365 1425 541">Printed circuits, circuit boards, CD Rom drives, speakers, microphones, modems, sound cards, graphics cards, video cards, all for use with computers; parts and fittings for all the aforesaid goods; computer software.</p> <p data-bbox="764 720 878 756">Class 9</p> <p data-bbox="764 774 1425 1898">Computer hardware; computer software; computer memories; computer interfaces; computer peripheral devices; computer games software; computer mousepads; computer mice; computer keyboards; computer programs recorded on magnetic discs and tapes; data recorded in computer accessible form; magnetic data media; magnetic disks; magnetic data carriers; modems; loudspeakers; subwoofer speakers; cabinets for loudspeakers; magnetic wires; magnets; sound reproduction apparatus; sound transmitting apparatus; transducers; acoustic speaker drivers; microprocessors; microprocessor systems consisting of keyboards; monitors; personal computer add-ons; joysticks; disk drives; stands designed specifically for computers; amplifiers; sound and video receiving, recording and reproducing apparatus and instruments; telephones, microphones; digital versatile discs; sound cards; graphics accelerator boards; digital video camcorders; digital cameras; CD-ROM drives, CD-ROM players; integrated circuits; apparatus for recording, transmission and reproduction of sound, video or images; apparatus and instruments for use in connection with computer software; encoded and magnetic cards; remote controls; floppy disk and floppy disk drives; programmed-data-carrying electronic circuits;</p>

programmed-data-carrying electronic magnetic tapes; programmed-data-carrying electronic magnetic disks; multimedia software products; recording discs equipment; music sequencers; music editors; MIDI interfaces; effectors; digital audio players; digital signal processors; reverberators; equalizers; MIDI foot controllers; magnetic recorders for digital data from electronic musical instruments or other MIDI devices; audio compression/decompression algorithms; optical data media; batteries; MP3 Players; electronic publications (downloadable); downloadable pictures, motion pictures, movies and music; personal computer web camera; all included in class 9.

Class 15:

Guitars, keyboard for musical instruments, musical instruments, pedals for musical instruments, piano keyboards, piano keys, cases for musical instruments, drums, keys for musical instruments, intensity regulators for mechanical pianos, musical boxes, organs, musical performance accessories, electronic devices that enhances the music capabilities and sound, electronic musical instruments and parts and accessories thereof, other musical instruments and parts and accessories thereof.

Class 38:

Broadcasting; cellular telephone communication; communication by computer terminals; communication by fiber optic networks; communication by computer telephone; computer aided transmission of messages and images; electronic mails; radio broadcasting; rental of modems; rental of telecommunication equipment; rental of telephones, satellite transmission; telecommunication; telephone services; wire services.

CTM 1082064 ('064)



19th February 1999

15th January 2003

CTM 614545 ('545)

CREATIVE PC-DVD

12th August 1997

4th January 2000

Class 9

Circuits, circuit boards, computers, apparatus and instruments for use with computers, data processing apparatus, data input and output apparatus, computer software, computer programs, tapes, cards, discs, chips, machine-readable media, voice and data transmission apparatus and instruments, video games, electronic games, computer games, and parts and fittings for any of the aforesaid goods.

Class 16:

Stationery, paper, printed matter, books, magazines, manuals, packaging materials, printed publications, newspapers, pens, pencils, binders, files, folders.

Class 42:

Computer programming, computer consultancy, computer software design.

Class 9

Computer hardware, computer software programs and computer peripherals; computer hardware, computer software programs and computer peripherals for the integration of text, audio, graphics, still images and moving pictures into a computer controlled and interactive audio visual delivery for use with a personal computer for multimedia applications and user reference manuals in electronic format therefor sold as a kit.

Class 16:

Stationery; printed matter; paper; cardboard; packaging materials; and other goods in Class 16.

Class 42:

Computer programming, computer consultancy, computer software design;

	information and advisory services relating to computers.
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4. Creative says in its statement and later submissions that the respective marks are virtually identical save for the addition of the '4IT' element which offers a description to the user ('for IT' (ie information technology)) and therefore does not add any distinguishing factor. It notes certain similarities in stylisation, including some, what it terms, 'creativity' around the letter 'A'. It says the average consumer will focus on the over-riding verbal element of the applicant's mark, being the word 'creative' which will also form the over-riding conceptual component of its own marks. The respective goods and services are also identical. That is, whether its earlier marks are to be judged, individually, in the prima facie or based on evidence of use, the resulting coverage will extend unquestionably to all the goods and services claimed by the applicant. As a result of the similarity of marks, the similarity/identity of goods and services, and taking into account its own acquired distinctiveness and reputation, Creative says there will be a likelihood of confusion.
5. As far as its claim under section 5(3) is concerned, Creative relies on its '112 mark and says it has a reputation in all of the goods specified. It says the applicant is taking unfair advantage of its repute in the mark by 'riding on the coat tails' of an established brand for the purposes of entering the market place. In addition the applicant's use of its mark will dilute the distinctive character of its own mark, thereby causing detriment to the same and to the recognition and repute that has been established.
6. Concerning its claim under section 5(4)(a), Creative says it has used the earlier sign CREATIVE in the UK since 1986 in relation to: electronic goods, circuit boards, sound cards, MP3 players, speaker systems, web cams, headphones and headsets, computer software, computer hardware, computer peripherals, wireless accessories, sound works and accessories to all of the aforesaid goods, software design and development, aftersales services. By virtue of its use in the UK it has the required goodwill at the relevant date and given the similarities in the respective signs already noted under section 5(2)(b), there will have been misrepresentation likely to cause it damage.
7. Precision filed a counterstatement denying all the grounds of opposition and its position is later enlarged upon in evidence and submissions. In short, it does not accept that the opponent has used its marks in relation to computer software in a trade mark sense. The software it sells is not sold as

CREATIVE software; it simply carries utilities for the opponent's product range. Even if it could be shown that the opponent does use its CREATIVE mark in respect of computer software and services, the intended purpose of that software and the applicant's intended purpose is different. Its own software and related services are connected with business information services. If necessary, it offers to further limit its specification to:

Class 9

Computer software for use in the development of high integrity specifications for business information systems

Class 42

Software design and development services all in connection with high integrity business information systems

8. Although it acknowledges that not all of the opponent's marks are subject to 'proof of use' requirements, it nonetheless submits that in respect of the mark '361 which is not subject to proof of use, it would nevertheless be wrong to give a 'wide construction' to the goods, and especially the services claimed.
9. As regards those marks which are subject to proof of use, Precision concedes use of the CREATIVE stylised marks, specifically, in respect of "Web cams, digital media players, USB power adaptors, speakers, plastic pouches for media players, batteries, battery chargers, headphones, wireless audio transmitters, leather cases for media players, armbands for media players, silicon skins for protecting media players, power adaptors, guides for portal media players and encoding video content, guides for testing positional audio and EAX, media screen protectors, gaming mice, cables." (see para 4 of Matthew Gardner's witness statement dated 20th December 2010). It does not, however, concede any use of the earlier mark 'CREATIVE PC-DVD' at all.
10. Precision accepts a low degree of similarity as regards the visual and aural comparisons of the respective marks but says, in conceptual terms, its own mark will be seen as CREATIVE FOR IT, a non-specific statement, unlike Creative's mark which will be seen as having a clear meaning. It does not accept that the consumer will select and isolate the CREATIV 'element' in its mark and it would be mistaken to regard that element as being the distinctive and dominant element within its complex mark (see para 5 of Matthew Gardner's witness statement dated 20th December 2010).
11. Precision further submits the word 'creative' in relation to the respective goods and services is 'largely descriptive', and thus of low distinctiveness. In

relation to such marks, consumers are alert to small differences as far as any confusion may be concerned. Overall, it denies any likelihood of confusion under section 5(2)(b), even in respect of the earlier mark in respect of which no proof of use was required –‘361.

12. As regards the claim under section 5(3), Precision acknowledges Creative has a reputation in “multimedia devices and computer software for the control of those devices” (submissions dated 15th September 2011), but contends that no necessary link will be made by the consumer as between the respective marks, especially given the inherently low distinctiveness of the earlier mark.
13. It says the opponent appears to accept this, in light of its earlier behaviour in other oppositions. It notes the opponent has in the past consented to the registration of CREATIVE CLUSTERS (2350033, Opp 92615) with restriction of the specification to, in particular, computer software, all for use in event management and event booking. Moreover, the opponent did not pursue opposition against 2509627 CREATIVE (AND DEVICE) when the mark was restricted to, in particular, computer software relating to food safety and food nutrition.
14. Further, in relation to section 5(3), Precision says it had, in any event, ‘due cause’ of its own to select the mark applied for, on the basis that CREATIV is an abbreviation for “**C**onstrained **R**equirements **E**ngineering with **A**nimation **T**echnology and **I**nvariant **V**erification”.
15. In the absence of any link and with its own ‘due cause’, Precision says there can be no unfair advantage or detriment and no possible, or realistic prospect of, relevant damage under section 5(3).
16. As regards section 5(4)(a), Precision does not accept there is goodwill in respect of computer software, and the provision of computer design and development services. Goodwill is only accepted in relation to printed circuits, circuit boards, speakers, sound cards, apparatus and instruments for use with computers, voice transmission apparatus and instruments and printed publications, being a rather less detailed concession than that recorded at para 9 above, but remembering that the terms listed at para 9 are those used within the Creative’s respective specifications and the concession in relation to section 5(4)(a) is based on broader terms which are instantly recognisable in the real world.
17. It further denies there would be any misrepresentation given the inherent weakness in the descriptive term ‘creative’ and says the ground under section 5(4)(a) must also fail.

18. Evidence and submissions were filed by both parties which I shall summarise below and take into account in my decision, insofar as it may be relevant. In view of the fact that significant concessions have been made by Precision as to Creative's use and reputation of its mark and also that '361 is not, in any event, subject to proof of use requirements, my summary of the evidence will not be as complete as may have been the case where more facts are at issue. The chief area where the parties' positions are polarised is clearly in respect of the claim that Creative has used its marks in respect of computer software and has a reputation in the same. Bearing that in mind it is in relation to that issue that my summary will tend to focus. No hearing was requested and so I give my decision based on a careful reading of the papers.

Opponent's evidence in chief

19. This is in the form of a witness statement dated 29th March 2010 from John Ferdinand, an employee with Marks and Clerk, a trade mark attorney firm, acting for Creative. Exhibit JF1 includes extracts from Creative's UK website showing its product range (priced in Pounds Sterling) and corporate history. Amongst the products shown are MP3 players under the ZEN brand, speakers, headphones, multimedia players, web cameras and video cameras. Creative was founded in Singapore in 1981, "with the vision that multimedia would revolutionize the way people interact with their PCs". Its phenomenally successful 'SOUND BLASTER' sound cards set the 'de facto' standard for PC audio and their success in this field enabled the company to extend its reach into Personal Digital Entertainment. Its products are marketed to consumers and market integrators through a worldwide distribution network that includes traditional marketing channels, original equipment manufacturers and the internet. Its latest 'X-Fidelity' audio platform has set new standards in audio. Today, the company is recognised as a "global leader in the audio and PDE segments, offering consumers a complete, high quality digital entertainment experience through its hardware, software applications and services....".

20. Under the corporate information on its website, Creative's major products are listed as MP3 players, webcams, pocket video cameras, X-Fi audio solutions, sound cards, speakers systems, docking systems, portable systems, headphones, backphones, earphones, headsets, music keyboards, mice and keyboards. Its products can be bought, as the evidence shows, through internet retailers such as AMAZON, DABBS, PLAY and MONEYSUPERMARKET.

21. There is also a further witness statement dated 28th July 2010 from Mr Ferdinand but this is purely by way of review of a witness statement dated 23rd July 2010 from Sivananthan Sivagnanaratham, Vice President of Legal Services at Creative.

22. Mr Sivagnanaratham says the company first opened its UK base of operations in 1986 and the mark 'CREATIVE' has been used in various forms and continuously ever since. Exhibit SS1 comprises a list of Creative's technical 'milestones' taken from its website. This is a chronological list of key products introduced over the years from 1996, which saw the introduction of its SOUND BLASTER audio cards, through 1997 and its acquisition of Cambridge SoundWorks Inc, and expansion into speakers and webcams and MP3 players. Exhibit SS2 comprises copies of catalogues showing the range of products sold under the mark issued by third party retailers such as ARGOS, as well as extracts from the company's website. There is also reference to aftersales support in connection with the products. These products include sound cards, web cameras, camcorders, leads, media players, accessories and speakers. In terms of support for the various devices, the pages give instructions on the installation of the devices and relevant drivers which in the case, say, of the product ZEN X-Fi 2 are automatically detected through WINDOWS device manager. Alternatively, installation CD's are provided, as with the SOUND BLASTER X-Fi Extreme Audio PCI Express sound card.

23. Exhibit SS2A comprises extracts from <http://connect.creativelabs.com/develop/default.aspx> on the company's website. These pages provide "advice to and information in the field of software development" and, "show that my company provides such information and advice to software developers who develop software in connection with the technology used in my company's products". These pages, on CREATIVE'S DEVELOPER website "provide the resources necessary to develop software for CREATIVE'S products". The resources are categorized into 3 sections: games, portable devices and soundfont. There are shortcuts to popular downloads such as OpenAL installer for WINDOWS and OpenAL SDK for WINDOWS. There are pages entitled "Sound Blaster technologies in FMODE – A programmers' guide to accessing Sound Blaster hardware acceleration via the FMODE music and sound effects system". It is explained that "audio hardware manufacturers such as Creative Labs have adopted OpenAL as a direct interface to hardware features. FMODE has been modified to support OpenAL rendering" and "the document provides developers with hints and tips to ensure a first rate experience for gamers playing FMODE titles on OpenAL hardware".

24. Further technical information is provided about the SoundFont 2.0 Format specification, developed jointly by E-mu and CREATIVE Technologies. This specification is publicly available and is described as having become the standard since the proliferation of the SOUND BLASTER AWE32 which uses the EMU8000 wavetable synthesis chip. "The SoundFont format is a portable, extensible, general interchange standard for wavetable synthesizer sounds and their associated articulation data."

25. Exhibit SS3 comprises copies of packaging and product photographs, showing the mark in use. Exhibit SS4 shows sales figures for the UK from 2003 of \$44,059,532.83 through to \$33,858,237.40 in 2009. Exhibit SS5 shows pages from Creative's own online retail platform, illustrating its products, and exhibits SS6 and SS7 show an assortment of online and traditional retail outlets, including AMAZON, PC WORLD and ARGOS, amongst many others with illustrations of Creative's products. Exhibit SS8 shows advertising and marketing expenses in the UK between 2003 of \$1,603,000 and 2008 of \$482,000. Finally, exhibit SS10 shows details of industry awards.

Applicant's evidence in chief

26. This takes the form of a witness statement dated 20th December 2010 from Matthew Gardner, a trade mark attorney employed by The Trade Marks Bureau, acting for the applicant. Exhibit MG1 comprises pages from the applicant's website describing it as IT Systems Experts, "providing world class consultancy and solutions for IT information systems to help its customers develop affordable high integrity software for business." "PDT [Precision] enables its customers to achieve important increases in profitability and productivity by providing them with analysis techniques that deliver high calibre software solutions....". The company was founded in 1984 and was responsible for SPECIFY4IT, claimed to be the finest computer modelling toolset in the industry. Precision has a wide range of clients including the public sector, such as MOD, NCIS, Police and Criminal Justice system and R & D. Exhibit MG2 comprises a print out of results of GOOGLE searches on the words 'creative' and 'software' and a search on the UK register showing marks with the word 'creative' in them. He says this is not 'state of the register' evidence as many of these marks are in actual use in the UK.

27. Exhibit MG3 is a print out from www.answers.com describing the meaning and functions of a requirement and a verification in relation to computer software and is intended to provide support for Precision's selection of the abbreviation 'CREATIV' described above in para 14.

28. The remainder of Mr Gardner's witness statement deals with the issues of proof of use making specific concessions as regards the products in relation to which he concedes Creative has used its marks and legal submissions.

Opponent's evidence in reply

29. This takes the form a further witness statement dated 6th June 2011 from John Ferdinand. This is intended to address his client's use of its marks in relation specifically to software. He says his client's products, such as

speakers, web cams and media players are all sold with associated software. Specific examples, included in Mr Sivagnanaratham's witness statement, include the LIVE brand of web cams, the VADO video camera and associated VADO CENTRAL 3.0 version software, the SOUND BLASTER sound card which includes bundled software and the opponent's CREATIVE CENTRALE software sold in connection with its ZEN branded media player. Exhibit JF1 comprises examples of software applications provided by the opponent to download for use with sound cards, headsets and media players. For example, someone purchasing The SOUND BLASTER WORLD OF WARCRAFT Headset (headphones) can also download software, including "WORLD OR WARCRAFT Audio Control Panel" , "Creative ALchemy" and "Creative MediaSource". There are various versions (applications) of Creative ALchemy¹ described for downloading, including a Beta version for use only with a specified list of Creative's audio products. There is also a piece of software called 'Creative Media Toolbox', described as a suite of utilities to "convert, enhance and organize your media files".

30. Mr Ferdinand says the opponent has developed general software for the management, recording, storage and playing of multimedia content which is compatible with its products. Particular examples are, CREATIVE MEDIA LITE and CREATIVE CENTRALE. In Exhibit JF2 , CREATIVE MEDIA LITE is described as integrated software designed for the ZEN Stone Player and it enables the consumer to rip CD's, transfer music, and restrict volume all in one place. CREATIVE CENTRALE also enables the customer to, "rip, store, transfer, manage your music, music and photos" using "intelligent tagging" and is available to download for use with a ZEN X-Fi Media Player.
31. Exhibit JF2 also contains a print out from a web page headed SOFTPEDIA, which provides a free download of CREATIVE MEDIASOURCE 5 Player/Organizer, being a Free FLV Player for Flash videos which supports YOUTUBE videos. This application is for MICROSOFT WINDOWS VISTA and WINDOWS XP, and enables you to "manage your entire digital music collection on both your computer and your CREATIVE portable music player effortlessly". It provides added support for reading/writing MP4 and M4A file tags, and other added features.
32. Exhibit JF3 comprises a selection of what are described as 'software apps' for use with Creative's MP3 and other multimedia players. Some of these pages show the CREATIVE mark alongside that of DEVELOPER CENTRAL and enable registered developers and in some cases, others, to access downloads of ISACT, EAX and OpenAL. I understand ISACT to stand for 'Interactive Spatial Audio Composition Technology', and is a visually

¹ According to Precision's submissions (para 2) Creative ALchemy is a tool that restores the audio for a DirectSound 3D game running on WINDOWS VISTA to its original quality.

focussed toolset for an audio designer to author abstract sound with immediate playback.

33. Exhibit JF4 is intended to show that Creative provides software development services to other software and hardware providers along with associated products which are compatible with software applications provided by WINDOWS or APPLE. A specific example of this is said to be the development of a compatible headset and associated software applications for the video game, WORLD OF WARCRAFT.

34. Finally, Mr Ferdinand says that the internet searches exhibited by Mr Gardner illustrate that there is an association between the word CREATIVE and SOFTWARE as the first search term on the list is CREATIVE ZEN SOFTWARE, a clear reference to the opponent's products.

DECISION

Section 5(2)(b)

35. The opposition is firstly founded upon Section 5(2)(b) of the Act. This reads:

5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(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.

36. All Creative's marks comprise earlier marks within the definition of section 6 of the Act. All, with the exception of '361, are subject to proof of use requirements in accordance with section 6A of the Act. Although '361 is not a mark with colour as a feature and its coverage, in terms of specification, does not include services in class 42, I nevertheless wish to consider the section 5(2)(b) case in respect of this mark first. Only if necessary will I consider the position as regards the other earlier marks.

37. In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union ("CJEU") in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P* (LIMONCELLO). 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 great 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.

Comparison of the goods and services

38. In assessing the similarity of the goods and services, it is necessary to apply the approach advocated by case law and to take account of all the relevant factors relating to the goods and services in the respective specifications. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at para 23 of the 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 or services themselves should be taken into account. Those factors include, *inter alia*, their nature and their method of use and whether they are in competition with each other or are complementary.’

39. Other factors have been identified in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281, such as the nature of the users and the channels of trade.

40. The respective goods and services read as follows:

Precision’s goods and services	Creative’s ‘361 goods and services
Class 9: Computer software for use in the development of information systems.	Class 9 Computer hardware; computer software; computer memories; computer interfaces; computer

<p>Class 42:</p> <p>Software design and development services all in connection with information systems.</p>	<p>peripheral devices; computer games software; computer mousepads; computer mice; computer keyboards; computer programs recorded on magnetic discs and tapes; data recorded in computer accessible form; magnetic data media; magnetic disks; magnetic data carriers; modems; loudspeakers; subwoofer speakers; cabinets for loudspeakers; magnetic wires; magnets; sound reproduction apparatus; sound transmitting apparatus; transducers; acoustic speaker drivers; microprocessors; microprocessor systems consisting of keyboards; monitors; personal computer add-ons; joysticks; disk drives; stands designed specifically for computers; amplifiers; sound and video receiving, recording and reproducing apparatus and instruments; telephones, microphones; digital versatile discs; sound cards; graphics accelerator boards; digital video camcorders; digital cameras; CD-ROM drives, CD-ROM players; integrated circuits; apparatus for recording, transmission and reproduction of sound, video or images; apparatus and instruments for use in connection with computer software; encoded and magnetic cards; remote controls; floppy disk and floppy disk drives; programmed-data-carrying electronic circuits; programmed-data-carrying electronic magnetic tapes; programmed-data-carrying electronic magnetic disks; multimedia software products; recording discs equipment; music sequencers; music editors; MIDI interfaces; effectors; digital audio players; digital signal processors; reverberators; equalizers; MIDI foot controllers; magnetic recorders for digital data from electronic musical instruments or other MIDI devices;</p>
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	<p>audio compression/decompression algorithms; optical data media; batteries; MP3 Players; electronic publications (downloadable); downloadable pictures, motion pictures, movies and music; personal computer web camera; all included in class 9.</p> <p>Class 15:</p> <p>Guitars, keyboard for musical instruments, musical instruments, pedals for musical instruments, piano keyboards, piano keys, cases for musical instruments, drums, keys for musical instruments, intensity regulators for mechanical pianos, musical boxes, organs, musical performance accessories, electronic devices that enhances the music capabilities and sound, electronic musical instruments and parts and accessories thereof, other musical instruments and parts and accessories thereof.</p> <p>Class 38:</p> <p>Broadcasting; cellular telephone communication; communication by computer terminals; communication by fiber optic networks; communication by computer telephone; computer aided transmission of messages and images; electronic mails; radio broadcasting; rental of modems; rental of telecommunication equipment; rental of telephones, satellite transmission; telecommunication; telephone services; wire services.</p>
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Class 9

41. Creative's specification includes the broad term 'computer software' which encompasses the species of software specified by Precision. What matters

here is what goods have been specified. I find, therefore, the respective goods to be identical.

42. Precision's offer to further limit its specification mentioned in para 7 above. does not disturb the finding of identical goods. To remind myself, the offer was to (further) limit the specification to:

Class 9

Computer software for use in the development of *high integrity specifications* for business information systems (my emphasis)

43. Creative's 'computer software' at large plainly encompasses the further limitation proposed by Precision. This is without prejudice to the question whether such a limitation would, in any event, meet the requirements of legal certainty. That is to say, it must relate to a recognisable *category* or *sub-category* of computer software or design related service. Precision's offer, although expressed positively rather than as a disclaimer, runs into the difficulty that it is, *on the face of it*, an expression of a *characteristic*, rather than a recognisable *type* of computer software². For that reason, I find that the offer would not in any event have been permissible.

Class 42

44. The high point of Creative's case lies with its 'computer software' in class 9, against the development of software for information services in Precision's specification. As I understand the services specified in class 42 these may entail, for example, the writing and production of software programs in suitable code. In that sense, the development of the software and the final product, being the software itself, must be very closely associated. Companies that design software are more than likely to also be associated, in the minds of the average consumer, with the software product itself. On that basis, and taking all factors (including, and especially the complementary nature of the goods and services) into account, I find the respective services in Precision's specification to be highly similar to the goods (ie computer software') specified in Creative's class 9 specification.³
45. I should just also mention the same offer of a further limitation to its class 42 specification had been made by Precision to match that offered in class 9. Again however, such a limitation would not vary my finding of 'highly similar'

² See the discussion in, eg MERLIN Trade Mark, BL O-043-05, (and case law referred to), a decision of the Appointed Person at paras 24-29.

³ This is a finding which is consistent with earlier registry decisions, such as BL O-322-09 MOODMETER (para 46) and OHIM Oppositions, such as B 1 582 595 QUADRIGA. Whilst I am not necessarily bound by such decisions there is no reason or evidence presented in this case which urges me a different view.



as regards Creative's class 9 goods and runs into the same issue concerning legal certainty as was discussed above at para 43.

The average consumer and nature of the purchase

- 46. I need to assess who the average consumer is and the nature of acquisition and purchase.
- 47. The average consumer for Precision's goods and services is likely to be businesses or concerns in both the public and private sectors, wishing to access software solutions to provide management and information as to, eg their processes. The average consumer for Creative's goods and services may include businesses but is more likely to comprise members of the public. I do not believe these two groups of consumers are entirely mutually exclusive as, plainly, both parties' goods and services, as specified, may be bought by businesses.
- 48. The nature of the purchase will, in both parties' cases, be well considered. The consumer will be focussed on specification issues, including compatability, and in the case, in particular of Precision's goods and services, the purchasing process may be highly considered as the eventual software may be bespoke and the result of much analysis over the client's specific requirements.
- 49. I will need to factor these observations into my final analysis of likelihood of confusion.

Comparison of the marks

- 50. The case law makes it clear I must undertake a full comparison of the marks, taking account of visual, phonetic and conceptual similarities and dissimilarities, from the perspective of the average consumer. Marks need to be considered in their totalities and taking account of overall impression, giving recognition to any distinctive and dominant elements.
- 51. The marks to be compared are as follows:

Precision's mark	Creative's mark
	

52. Visually, the first 7 letters of each mark are common. Both parties' marks have a degree of stylisation in the (capital) letters and are of roughly equal length. The 'R' and 'A', especially, of Precision's mark are stylised. It is noted in particular, that the 'A' is incompletely formed, without the usual extending 'arms', thus rendering the overall effect as that of a triangle or 'teepee'. There is therefore some similarity with the 'A' of Creative's mark, although it is noted that the stylised 'E' of Creative's mark is not replicated or rendered in a similar way in Precision's mark. Colour is a feature of Precision's mark and most of it is dark blue, with the exception of the number 4 which is light blue; there is no limitation to these colours. All the letters and number are the same size in Precision's mark. Creative's mark does not have colour as a feature. Precision's mark is, however, not just the letters 'CREATIV', but includes also the additional number and letters '4IT'. It is fair to say these additional 'elements' are integral to the mark overall and, visually, not separated from the first 7 letters. Overall, I find that, visually, the marks share at least a moderate to high degree of visual similarity.
53. Aurally, Creative's mark will be pronounced 'CREE – A – TIV'. Precision's mark will be pronounced 'CREE-A-TIV FOR I T'. Alternatively, the 'IT' element will be enunciated as the word 'it', rather than the letters separated as an abbreviation for 'Information Technology'. It is hard to say, in the abstract, which enunciation would be adopted. However, if I were to factor in the goods and services for which the mark is applied, it is more likely that the letters 'I' and 'T' will be regarded and enunciated as an abbreviation for 'Information Technology'. In either event, I find that, aurally, the marks are similar also, at least to a moderate degree.
54. Conceptually, Creative's mark comprises the well known word 'creative', such stylisation as there is simply serves to amplify the meaning of the word. The start of Precision's mark will be recognised as the word 'creative', although it is misspelt, having no 'e' at the end and merging into the '4IT' ending. The whole is likely to be, in my view, and as I have said above, verbalised as 'Creative for IT'. With the prevalence of 'text speak' these days, the number '4' will, most likely, from the perspective of the average consumer, equate to the word 'for'. This is odd linguistically; the word 'creative' is an adjective and yet its usage in this context creates linguistic tension. That tension lends support to the argument that the 'CREATIV' 'element' will, in the perception of the average consumer, become the clearly distinctive and dominant 'element', whilst the 'for IT' 'element' is plainly descriptive. Precision's argument is that 'Creative for IT' is a non-specific statement which, in effect, 'hangs together' in its own right. But, linguistically, the phrase is, as I have said, ungrammatical and this undermines any 'hanging together' argument.

55. It is also noted that, visually, the lighter blue number '4' suggests it simply provides linkage between 'CREATIV' and 'IT' rather than as being integral to the mark as a whole. The letters 'CREATIV' at the beginning of Precision's, though a misspelling of the word 'creative' inevitably to a connection with the word 'creative'. The additional elements in Precision's mark, '4IT' will, then, simply indicate the specific area of CREATIVE'S commercial activity. For these reasons I find the respective marks, though not obviously identical conceptually, nonetheless to share a high degree of conceptual similarity.

Overall finding of similarity of marks, including distinctive and dominant elements

56. I need to bring my individual findings together in an overall assessment of similarity, bearing in mind any distinctive and dominant elements. I have sought to address the question of distinctive and dominant elements under my conceptual comparison above, and it is clear I am inclined to the view that the linguistic tension in the phrase 'creative for IT' is apt to support the argument that the word 'creative' would function as the dominant and distinctive element. The additional element, '4IT', will, as I have said, simply indicate the specific area of Creative's commercial activity.

57. I would also make the observation that although Creative relies to some extent on the similarity of stylisation in the respective marks, in particular, of the letter 'A', there is a danger in overplaying this point of similarity. I must recognise that in use the average consumer pays little attention to finer details, such as the fact the respective 'A's may be stylised in a similar way. The argument may be stronger if the entirety of each parties' marks had been markedly stylised in the same way, rather than one single letter. Nonetheless it is a point of similarity and forms part of my overall impression.

58. Taking all my findings together I find that, overall, the marks are similar to a high degree.

Likelihood of confusion

Distinctiveness of the earlier mark

59. My discussion above leads me into a final assessment which must be done as part of an assessment of likelihood of confusion, namely, the distinctiveness of the earlier mark. A mark comprising an invented word will inevitably be very high on the scale of distinctiveness, whereas a known word which has a more obvious connection with the relevant goods or services will be lower on the scale of distinctiveness.

60. Creative's mark, although with some stylisation, is plainly the well-known word 'creative'. The word has well known, laudatory meaning which resonates strongly with products and services which can be 'creative', such as, for example, software and the development and design of software. This diminishes its inherent distinctiveness. Taking that into account, I find the earlier mark has, taking into account its measure of stylisation, a low to moderate degree of inherent distinctiveness.
61. The next question for me is whether that inherently low to moderate level of distinctiveness is enhanced though the use made of it by Creative and secondly, what effect any enhanced distinctiveness may have on the overall question of likelihood of confusion. Creative places reliance on its reputation and enhanced distinctiveness through use of its marks.
62. At this point I need to confront the most obvious gap between the parties' respective positions, namely whether Creative can legitimately claim enhanced distinctiveness or reputation in respect of 'computer software', or whether, as Precision claims, any 'reputation' or 'enhanced distinctiveness' applies *only* to software supporting its own products or to closely related applications.
63. In my opinion the evidence shows that Creative's reputation is built around audio-based hardware products, notably its SOUND BLASTER sound card, and subsequently, multimedia devices for the PC market. Such products will necessarily, or at least often, be sold with the required individual 'drivers' in the form of software, such as that contained in a CD, or alternatively such 'drivers' may be downloaded from other sources. 'Drivers' is perhaps too limiting a term in this context, and I intend it to include also *associated* software bundled with, or intended purely for use with the product.
64. It cannot however be said that the provision of such 'associated' software has created any particular association between use of the 'CREATIVE' marks and reputation or enhanced distinctiveness in relation to 'computer software'. On the contrary, the principal products sold under the name are the peripheral hardware products.
65. It could however be argued that Creative has gone beyond its 'own product' software and developed more 'generic' type software for use in the multimedia environment or with other multimedia products, such as its MEDIA SOURCE, ALchemy, CENTRALE or MEDIA LITE software. It also provides developers with software such as ISACT, EAX and OpenAL. However, my view of these products is that its case for reputation or enhanced distinctiveness in relation to 'computer software' is in no better position by its development of, or, in some cases, simply provision of (as they are non-proprietary), these 'generic' products. Specifically, the software products are intended for use, again, in relation to its own products

or closely related products in the narrow, multimedia environment, for example, to order and store files. Secondly, insofar as it may allow access to what may be termed 'proprietary' software, such as ISACT, for example, I am not convinced that such access is permitted freely to the average consumer at large or intended purely for 'registered' developers. Plainly, such restricted or limited access will not help insofar as the wider constituency, comprising the average consumer, is concerned in this case.

66. In all the circumstances I am unable to conclude from the available evidence that Creative has acquired any enhanced distinctiveness or reputation for 'computer software'.

67. The consequence of this is that the *notional assessment* I am required to make under section 5(2)(b) remains undisturbed and unaffected by Creative's reputation or submissions regarding enhanced distinctiveness.

Global assessment under section 5(2)(b)

68. At this point I need to remind myself of my various findings and bring them together in a global assessment taking, of course, into account, the doctrine of imperfect recollection, namely that consumers rarely have the opportunity to compare marks side by side.

69. I have found the earlier mark to be inherently distinctive to at least to a low to moderate degree. I have found the respective goods/services to be identical or highly similar. I have found the respective marks to be similar to a high degree, based around the shared distinctive and dominant element, 'creative' and the words '4IT' merely indicating a specific area of commercial activity. I have observed that the average consumer will overlap in identity and that the nature of the purchases and acquisitions will be well considered. It is necessary in a global assessment, based on notional circumstances, to bring these factors together, some of which may tug in one direction and others in another.

70. I also remind myself that the nature of 'confusion', whether it be direct or indirect, for the purposes of section 5(2) does *not* include mere association in the sense of 'bringing to mind'; it is well established that section 5(2) confusion entails the consumer wrongly believing the respective goods or services come from the same or economically linked undertakings. This may come about through what is termed direct confusion (mark for mark), or indirect confusion, that is to say, whilst the consumer may not confuse the marks directly, they rationalise that goods or services under the respective marks come from the same, or economically linked undertakings.⁴

⁴ For a useful discussion on the differences see paras 16-18 of BL O-375-10 LA SUGAR, a decision of the Appointed Person.

71. Bearing all these factors in mind I believe, in weighing my findings above, there will be a likelihood of confusion in this case. **The opposition under section 5(2)(b), in relation to earlier mark '361, accordingly succeeds in its entirety. I do not then have to consider the case in relation to any of the other marks.**

Section 5(3)

72. Where an opponent succeeds under section 5(2)(b), although it is not always necessary, sometimes consideration of the other grounds of opposition is advisable in the interests of completeness⁵. In this case I intend to consider all the grounds of opposition.

73. Section 5(3) reads as follows:

“5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

74. The relevant case law can be found in the following judgments of the ECJ: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26; but the reputation of the earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel*, paragraph 51.

(c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

⁵ Without laying down a strict rule on the matter, the Appointed Persons encourage consideration of all grounds of opposition separately, see eg, BL O-333-10 *ALLIGATOR*, paras 15-18.

(d) Whether such a link exists must be assessed globally taking account all relevant factors, including the degree of similarity between the respective marks and between the respective goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Although it is not a necessary factor, a link between the trade marks is necessarily established where the similarity between the marks causes the relevant public to believe that the goods/services marketed under the later mark come from the owner of the earlier mark, or from an economically connected undertaking; *Intel, paragraph 57*.

(f) Where a link is established, the owner of the earlier mark must also establish that it has resulted in the existence of one or more of the types of injury set out in the section, or there a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*: whether this is the case must also be assessed globally, taking account of all the relevant factors; *Intel, paragraph 79*.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later mark identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(i) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; *L'Oreal, paragraph 40*.

(j) Unfair advantage covers, in particular, cases where a third party seeks to ride on the coat-tails of the senior mark in order to benefit from a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark; *L'Oreal, paragraph 41*.

75. As to firstly, reputation, it is conceded by Precision that Creative has a reputation in: "multimedia devices and computer software for the control of those devices" (submissions dated 15th September 2011), but it contends that no necessary link will be made by the consumer as between the

respective marks, especially given the low distinctiveness of the earlier mark.

76. I accept the existence of Creative's reputation, which is in sound cards, multimedia hardware devices and audio products in particular. Precision actually goes further and accepts reputation also in the software for the control of these devices.
77. However, whether or not there is a required 'link' under section 5(3) is a multifactoral exercise. It is noted from the case law that the nature of a 'link' is such that it suffices if an earlier mark is simply 'brought to mind' by the consumer, as distinct from classic, or in addition to, section 5(2) type 'confusion'.
78. Such products in which Creative can lay claim to a reputation, though they may be dependent for their operation on software, are removed, in trading terms, from the software and development for which Precision has applied. The provision of software for business information systems, on the face of it, has little obvious connection with audio or multimedia devices.⁶ Of itself of course, this does not prevent the creation of a required 'link' under section 5(3). The other factors involved include the inherent distinctiveness of Creative's mark (which I have found to be at least, low to moderate), the high degree of similarity of the marks already assessed and the specific nature of Creative's reputation in sound cards and multimedia devices in particular (and even associated software). Taking *all* these factors into account, and in particular the very specific nature of Precision's goods and services, I find that there will be no 'link' required under section 5(3). In other words, Creative's mark will not even be brought to mind.
79. In case I am wrong on this, I would nevertheless have not been able to find any realistic or even plausible damage required under section 5(3). In particular, Precision has an explanation for its choice of the letters, C R E A T I V, which, of itself, may not constitute 'due cause', but it is nonetheless explains Precision's choice of mark and it is difficult to see how exactly use of Precision's mark, in relation to the specific goods and services for which it has applied, would take unfair advantage of Creative's mark, and it is also difficult to see how its use its mark would otherwise tarnish or dilute the distinctiveness of Creative's mark.
- 80. The case under section 5(3) would accordingly have failed.**

⁶ By contrast of course, the assessment under section 5(2)(b) was based on Creative's use of its mark across the range of goods and services covered by its specification.

Section 5(4)

81. Also, for the sake of completeness I should like to consider the case under section 5(4). Plainly, at the material date (being the date of application) Creative had protectable goodwill in its sound cards, multimedia hardware devices and audio products in particular. Although the evidence is, at times, less than clear, it may also have been able to lay claim to protectable goodwill in certain associated software (such as, eg ISACT and MEDIA SOURCE). I am unable to say from the evidence exactly when Precision commenced its own use, assuming it has. Even though Precision has not established its own protectable goodwill prior to the date of application I am far from convinced the protectable goodwill established by Creative would extend into the specific software⁷ and services for which Precision had applied and for those reasons, shortly stated, **the case under section 5(4)(a) would accordingly have failed.**

Costs

82. Creative has been successful in the opposition and is entitled to a contribution towards its costs. Neither party sought costs off the normal scale and I am of course mindful that neither party sought a hearing. In the circumstances I award Creative Technology Ltd the sum of £1300 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Filing statement and considering counterstatement - £400
Statutory fee for filing opposition - £200
Filing evidence and submissions and considering the opponent's evidence - £700

Total £1300

83. I order Precision Design Technology to pay Creative Technology Ltd the sum of £1300. The sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 31st day of January 2012

**Edward Smith
For the Registrar,
the Comptroller-General**

⁷ The question under section 5(4) addresses the extent of protectable goodwill which Creative has at the relevant date and not the notional breadth of its specification as under section 5(2).