

**TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 1482034
BY STEIN ATKINSON STORDY LTD TO
REGISTER THE MARKS SAS AND SAS (STYLISED)
IN CLASS 9**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No 41684 BY SAS INSTITUTE INC**

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**IN THE MATTER OF Application No 1482034
by Stein Atkinson Stordy Ltd to register the marks
SAS and SAS (stylised) in Class 9**

10 **and**

**IN THE MATTER OF Opposition thereto under
No 41684 by SAS Institute Inc**

15

DECISION

Stein Atkinson Stordy Ltd applied on 7 November 1991 under Section 17(1) of the Trade
20 Marks Act 1938 to register the marks SAS and SAS (stylised) as a series of two marks in
Class 9 in respect of the following specification of goods:

25 Industrial process control and monitoring apparatus and instruments; computers,
computer programmes recorded on tapes, filaments, discs or cards; display, and
print-out apparatus, all for process control and monitoring; electrical, electronic and
pneumatic signalling, checking and control apparatus for industrial processing plant;
parts and fittings for all the aforesaid goods; all included in Class 9.

The two marks applied for are in the following form:

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SAS

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For simplicity I merely refer to the applicants mark as SAS in the remainder of this decision. I
bear in mind of course that the stylisation of the second mark is something to be taken into
45 account when comparing the applicants' and the opponents' marks.

I should also mention that this application encountered objections at examination stage on the grounds that the mark applied for consisted of the letters SAS and also on the grounds of prior rights in the ownership of other parties. Subsequently these applicants filed evidence of their use of the mark SAS and the application proceeded to advertisement for opposition purposes on the basis of Advertisement before Acceptance under Section 18(1) of the Act and under the provisions of Section 12(2) of the Act on the basis of honest concurrent use. I shall have to return to this latter point later in my decision.

This application has been opposed by SAS Institute Inc on the following grounds:-

1. The opponents say that they have used their SAS mark and have a considerable reputation in it. Registration of the applicants mark would therefore be contrary to Section 11 of the Act.
2. The opponents say they own the registered mark SAS for goods which are identical to those included within the applicants application. Therefore registration would be contrary to Section 12(1) of the Act.
3. The opponents acknowledge that the applicants application is proceeding under the honest concurrent use provisions of Section 12(2). However, they claim that the applicants have not used their mark in relation to all the goods included within their specification and thus their claim under this section is not justified.
4. It is submitted by the opponents that the applicants cannot claim to be the proprietors of the mark SAS in respect of all the goods claimed. Thus their application falls foul of the provisions of Section 17 of the Act.
5. The Registrar is asked to exercise his discretion and refuse to register the mark applied for.

The opponents SAS mark is registered in Class 9 under No 1255443 as of 28 November 1985 in respect of "Computer programmes, all magnetically recorded".

The applicants deny the opponents' grounds of opposition. They say they rely on their use of their mark and the lack of confusion during this period of use.

Both parties ask for an award of costs in their favour.

Both parties filed evidence in these proceedings and the matter came to be heard on 13 February 1998 when the opponents were represented by Mr Geoffrey Hobbs of Her Majesty's Counsel instructed by their trade mark agents Edward Evans & Co and the applicants were represented by Mr Malcolm Chapple of Counsel instructed by their trade mark agents Withers & Rogers.

By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

Opponents' evidence

The opponents' evidence consists of a Statutory Declaration dated 9 February 1996 by Mr Michael A Lynd of Edward Evans & Co, their trade mark agents.

By way of background Mr Lynd explains that his clients commenced business in 1976 and the business has grown from employment of 4 people to a current figure of 3,200. Worldwide revenues had reached \$482 M by 1994 and 93% of the Times top 100 companies use the software products and systems of the opponents. Sales turnover in the UK had increased to over \$10 M in 1990 and was over \$19 M by 1994. During this period advertising averaged in excess of \$500 K per annum.

The opponents products have been sold to a range of companies in many fields of industrial activity. Mr Lynd highlights the fact that in the "Metals and steel" sector the opponents have sold their SAS products to 29 major companies including Johnston Mattley, Reynolds Metals and British Steel.

Mr Lynd provides a number of Exhibits to confirm the extent of his clients sales within Europe and the UK and the variety of manufacturing concerns who use the SAS product for a plethora of industrial and business applications. I see no need to refer to each of the exhibits in detail. I am quite prepared to believe, on the basis of the evidence before me, that the opponents have a significant reputation in their SAS mark in the computer software field.

Applicants' evidence

The applicants evidence consists of a Statutory Declaration dated 3 June 1996 by Mr Mark Curran, their Company Secretary.

Mr Curran refers to the fact that on 11 October 1993 he completed a Statutory Declaration in support of his firm's application at examination stage. A copy of that declaration is exhibited under MC1.

In his earlier declaration Mr Curran explains that his company was established in 1962 by a merger between Stordy Engineering and Stein & Atkinson. He says that SAS has been used as his company's mark since that time. A number of exhibits were provided by Mr Curran to show his company's activities and use of the mark SAS. It would appear that the applicants are essentially an engineering company who produce a range of goods such as ovens and furnaces for use in the glass industry; a range of engineering plant for use in coating and

painting operations etc. However, some of the brochures also provided information about instrumentation, computerisation and electronic products and systems for use with the above mentioned goods.

- 5 At this earlier stage the applicants were supporting, by way of their evidence of use, applications in Classes 7, 9 and 11 and Mr Curran indicated that only about 10% of turnover related to Class 9 products. Turnover figures for Class 9 goods was estimated in 1989 as £2.4 M, 1990 as £2.5 M and 1991 as £2.3 M. There was also a claim that sales were throughout the United Kingdom and that the goods were widely advertised and promoted.
- 10 Reverting back to Mr Curran's declaration filed in these proceedings, he provides a number of brochures under Exhibits MC3 and MC4 in an attempt to show use of the mark SAS back to 1963. Also under MC4 brochures relating to furnace installations completed in the period 1951-1975 are provided and these show use of the SAS mark.
- 15 Under Exhibit MC6 Mr Curran provides Westinghouse SAS brochures and Stein Atkinson Stordy SAS brochures. In some cases both names appear on the brochures. It would appear that in or about 1988 the applicants sold goods purchased from Westinghouse and associated the WESTINGHOUSE trade mark as with their SAS mark in relation to such goods. These brochures relate to the provision of computer equipment including processors, memory
- 20 modules and software.

Under Exhibit MC7 further brochures are provided showing use of the mark SAS through to 1991 in connection with instrumentation and confirming attendances at an International Exhibition in 1990 concerned with glass manufacture. The catalogue confirms the applicants

25 attendance and Mr Curran draws attention to a leaflet, which he says was distributed at the conference, which confirms the provision of computer apparatus under the SAS mark. Other brochures in this bundle refer to the provision of furnaces, ovens and treatment plant together with associated instrumentation.

- 30 From paragraph 12 of his declaration onwards Mr Curran attempts to buttress his company's claim to use of its SAS mark in relation to the specification of goods of this application. In so doing he refers to a number of the exhibits supplied and points in particular to Exhibit MC8 which is a specimen envelope of a kind used by his company in or about the late 1980's, in
- 35 which his company supplied a 5" diskette as an item of software to customers for the control of furnaces and the like goods.

At paragraph 25 Mr Curran refers to Exhibit MC13 which consists of a list of computer software discs. He explains that when his company supplies software or computer systems with software for any particular contract, it keeps a back-up set of the discs in its safe. The

40 listing shows the number of software programmes sold over the years.

Mr Curran provides further turnover figures for his company's goods in the years 1992 to 1995 as £14.8 M increasing to £37.6 M. Eighteen per cent of these sales is said to relate to goods classified in Class 9. In the same period advertising expenditure is said to have been in

45 excess of £50 K per annum.

Mr Curran says that he is not aware of any confusion between his company's goods and those of the opponent. He surmises that this is because the two parties are using computers in unrelated fields; his company in connection with operating and manufacturing machinery and the opponents in the more general fields of finance or something of that nature. He believes purchasers of the respective goods are sophisticated and will not readily be misled by a mere coincidence of letters nor will they think that the SAS Institute Inc have any connection with furnaces and control apparatus sold under the applicants SAS mark.

Opponents' evidence in reply

This evidence consists of a Statutory Declaration dated 9 December 1996 by Mr Philip E Bond who is a director of the opponents.

Mr Bond says that he has read the Statutory Declaration of Mr Mark Curran and examined carefully the exhibits provided. In general Mr Bond says that Mr Curran has made grandiose claims in his declaration which are unsupported by the evidence and misleading in their assertions. He goes on to dispute the applicants claim to user of their SAS mark in relation to computers and software and submits that such use as has occurred has been essentially in relation to apparatus for the control and monitoring of furnace installations and associated equipment.

Where computer software is mentioned in particular in Exhibit MC13, Mr Bond points to the fact that if this represents the totality of the applicants use, then it is almost deminimus in the context of manual use. At paragraph 18 of his declaration he says:

“Turning again to Exhibit MC/13 mentioned in paragraph 25 of Mr Curran's Statutory Declaration, I note that the listings in Exhibit MC/13 represent the entire supply of software by the Applicant company for the period from 1980 to October 1995. I draw several conclusions from this listing. Firstly, and contrary to what is asserted by the application for the Application in Suit, the Trade Marks of the Application in Suit were not used in relation to computer software from 1962 but, at best, only from 1980 or 1981. Secondly, after discounting all those items in Exhibit MC/13 that are dated after 7 November 1991, the date of filing of the Application in Suit, I observe that Exhibit MC/13 purports to show that, at best, the Applicant has supplied only some 300 software orders in the entire 11 years between 1980 and November 1991 (ie less than half the contents of just one CD-rom). Spread over the 11 year period, this amounts merely to some 28 floppy disks a year or to approximately just 2 a month. Even then, information provided by Mr Curran in Exhibit MC/13 is tendentious and inadequately supported by proper evidence of a primary nature.”

At paragraph 19 Mr Bond compares the user of the applicants with that of his company and points to the fact that over an 11 month period his company had supplied over 5 million floppy discs. In relation to a number of the brochures provided as exhibits by Mr Curran, Mr Bond says it is not clear if some of them have ever been circulated in the United Kingdom and the absence of dates makes it difficult to establish exactly when such brochures were published.

In relation to a claim by Mr Curran that the applicants and opponents operate in unrelated fields, Mr Bond submits that this is wrong. His company supplies computers and software to a range of industrial companies for use in the control and monitoring of their industrial processes and he gives examples under exhibits SASUK3, 4 and 5.

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Mr Bond's declaration is extremely long and I see no need to refer further to the detailed comments made. However, in summary he disputes the applicants length of use and scale of use in relation to computers and computer software and suggest that such use as has been demonstrated does not justify the applicants claim to the benefits of Section 12(2) of the Act for the whole of their specification.

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A further Statutory Declaration dated 30 June 1996 is provided by Ms Carolyn Baines who is a Strategic Partner Group Manager of the opponents. In this declaration Ms Baines itemises the brochures and information supplied to her company's trade mark Agent Mr Michael Lynd.

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That completes my view of the evidence and I now turn to the grounds of opposition which are under Sections 11 and 12 of the Act. These sections reads as follows:-

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11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

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12 (1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of:-

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a. the same goods

b. the same description of goods, or

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c. services or a description of services which are associated with those goods or goods of that description.

(2) In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or the Registrar make it proper so to do, the court or the Registrar may permit the registration by more than one proprietor in respect of:-

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a. the same goods

b. the same description of goods, or

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c. goods and services or descriptions of goods and services which are associated with each other,

of marks that are identical or nearly resemble each other, subject to such conditions and limitations, if any, as the Court or Registrar, as the case may be, may think it right to impose.

5 The references in Section 12 to a near resemblance are clarified by Section 68(2B) of the Act which says that references in the Act to a near resemblance of marks are references to a resemblance so near as to be likely to deceive or cause confusion.

10 The established tests for objection under Sections 11 and 12 are set down in Smith Hayden & Co Ltd's application (volume 1946) 63 RPC 101 and, in the case of Section 11, as adapted by Lord Upjohn in the BALI trade mark case 69 RPC 496. Adapted to the matter in hand the tests may be expressed as follows:

15 (a) (under Section 11). Having regard to the user of the mark SAS is the tribunal satisfied that the mark applied for, SAS if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

20 (b) (under Section 12). Assuming user by the opponents of their mark SAS in a normal and fair manner for any of the goods covered by the registration of that mark, is the tribunal satisfied that there will be no reasonable likelihood of deception among a number of persons if the applicants use their mark SAS normally and fairly in respect of any goods covered by their proposed
25 registration?

I deal first of all with the ground of opposition under Section 12(1) of the Act. Despite the fact that the applicants "computers and computer software" are restricted to "all for process control and monitoring" it is clear that the respective specifications cover identical goods
30 since the opponents specification covers "computer software" at large. Thus the marks are identical; the goods are identical and they are sold in the same geographical area. Prima facie therefore, the opponents succeed in their ground of opposition under Section 12(1) of the Act.

35 This will come as no surprise to the applicants since the Examiner raised the opponents' mark as a barrier at examination stage and the applicants mark only proceeded to advertisement by utilising the provisions of Section 12(2) of the Act. It is appropriate, therefore, in view of the opponents' attack that I look again at the applicants claim of honest concurrent use.

40 The main matters for consideration under Section 12(2) were laid down by Lord Tomlin in PIRIE'S trade mark (1933) 50 RPC at page 159. They are:-

- i. The extent of use in time and quantity and the area of trade.
- 45 ii. The degree of confusion likely to ensue from the resemblance of the marks, which is, to a large extent, indicative of the measure of public inconvenience.

- iii. The honesty of the concurrent use.
- iv. Whether any instances of confusion have been proved.
- 5 v. The relative inconvenience which would be caused if the mark in suit was registered, subject if necessary to any conditions and limitations.

10 Insofar as (i) is concerned it may be that the applicants use of their mark SAS has extended over a considerable period but any use which has occurred in relation to computers and computer software has been extremely limited. To the extent that there has been use in this field such use has been closely associated with, and sold as part of control and monitoring apparatus, for use in their core business of furnaces, foundries and casters of metal. In response to a direct question from myself, applicants' counsel could only point to one sale outside this particular area of manufacturing. At its best the applicants proved user does not support the claimed specification of application No 1482034 and at its worst it does not support a claim to the benefits of Section 12(2) at all. I add here that it was established at the hearing that for a party to benefit from the provisions of Section 12(2), it is necessary to show significant use of their mark so that it can be assumed that the public have learned to differentiate between the marks and the origin of the respective goods. That is certainly not the case here.

25 As regards (ii) it would appear to be the case that there has been no confusion between the respective marks to date. This lack of confusion probably arises because of the applicants modest user and the fact that most, if not all, of their user has been in relation to their core engineering activities.

30 I have no doubt at all that if the applicants were to use their mark normally and fairly in relation to the full range of goods included within their specification, and I must assume this, then confusion between the two marks would ensue. As the marks are identical there could be real inconvenience to the public.

35 There is no dispute that the applicants have used their mark honestly. What is in dispute is whether they have used their mark concurrently with the opponents registration in respect of all the goods claimed in their specification.

As noted at (ii) above, no instances of confusion are pleaded by the opponents.

40 There is little doubt that if the applicants mark was registered for its current specification there would be significant inconvenience to the public and there is no doubt that they would be confused as regards origin of the respective goods.

45 In conclusion, therefore, I believe the Examiner was wrong to allow this mark to proceed to advertisement by utilising the provisions of Section 12(2). On the basis of the evidence before me the applicants have not substantiated their claim to honest concurrent use with the opponents registered mark. It follows that the opponents succeed in their ground of opposition under Section 12.

As any finding under Section 12 essentially decides this case I need only deal briefly with Section 11. The opponents claim use of their mark back to 1976 and they have filed a great deal of evidence to show that they had a considerable reputation in their mark by the relevant date which is 7 November 1991. This user has been in respect of a wide range of computer software including software for use in the control and monitoring of industrial apparatus and processes. There is no doubt in my view that such software is very similar to the computer software included within the applicants specification. On a prima facie basis therefore I am prepared to find that the opponents are also successful under Section 11 of the Act. In the absence of substantial user by the applicants which would have enabled them to claim the benefits of Section 12(2), I find formally that the opponents are successful in their ground of opposition under Section 11.

At an earlier stage in the proceedings it appears to have been the case that the opponents would have agreed to the applicants mark proceeding for a restricted specification. I was told at the hearing that the parties no longer wished to consider the possibility and I was asked to decide the conflict on the basis of the application before me.

There remains the matter of the Registrar's discretion but as the opponents have been successful in their opposition under both Sections 11 and 12 no exercise of that discretion is necessary or appropriate.

As the opponents have been successful in these proceedings they are entitled to a contribution to their costs. I hereby order the applicants to pay to the opponents the sum of **£935**.

Dated this 2nd day of March 1998

N A HARKNESS
For the Registrar
the Comptroller-General