

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2012981 by
MEDISON CO. LIMITED TO REGISTER A TRADE MARK IN CLASSES 9
AND 10

AND IN THE MATTER OF OPPOSITION THERETO UNDER No. 45102
by MEDICON EG CHIRURGIEMECHANIKER-GENOSSENSCHAFT

DECISION

Introduction

1. This is an Appeal to the Appointed Person from a decision of Mr. Salthouse, the Hearing Officer acting for the Registrar, dated the 17th January 2001.
2. On the 23rd December 1994, Medison Co. Limited (the Applicant) applied to register the trade mark set out below:



in respect of the following goods:

Class 9: "Image filing systems; computers, computer peripheral devices, computer installations, all being medical work stations."

Class 10: “Electrocardiographs, probes and radiological apparatus for medical purposes; ultrasonic diagnosing apparatus; ultrasonic probes; endoscopes, video and electronic endoscopes.”

3. On the 14th August 1996 Medicon EG Chirurgiemechaniker-Genossenschaft (the Opponent) filed notice of opposition to the application. The application was opposed on various grounds. For the purposes of this appeal I need only refer to the following:
 - a. the application was made in bad faith contrary to section 3(6) of the Trade Marks Act 1994,
 - b. registration would be contrary to the provisions of section 5(2) and (3) of the Act.

4. The Opponent based its objections under section 5 of the Act upon the following matters. First, the Opponent was the proprietor of an earlier United Kingdom trade mark No. 953793 in respect of the word MEDICON registered in Class 10 in respect of “Medical, surgical and dental apparatus and instruments, and parts and fittings included in Class 10 for all the aforesaid goods, but not including intravenous administration apparatus and instruments, surgical needles or mechanical ligators”. Secondly, the Opponent relied upon its use of the trade mark MEDICON in relation to medical, surgical and dental apparatus and instruments in the United Kingdom and claimed to have built up a substantial goodwill and reputation in the United Kingdom under that trade mark.

5. The opposition proceeded to a hearing before Mr. Salthouse and in his written decision dated the 17th January 2001 he concluded that the opposition failed.

The Appeal

6. In February 2001 the Opponent gave notice of appeal to an Appointed Person. In its grounds of appeal it contended that the Hearing Officer had fallen into error in dismissing the opposition under sections 3(6), 5(2) and 5(3) of the Act. At the hearing the Opponent elaborated its position as follows. First, the Opponent contended that, having regard to the history of disputes that existed between the parties, the Hearing Officer should have found that the application was made in bad faith. Secondly, the Opponent contended that the Hearing Officer should have rejected the application under section 5(2) of the Act insofar as registration was sought in respect of goods in Class 10 and that he should have rejected the application under section 5(3) insofar as registration was sought in respect of goods in Class 9.

Appeal to an Appointed Person

7. Both parties agreed that this Tribunal should treat the appeal as a review rather than a rehearing and that the Appointed Person should follow the approach set out by Pumfrey J. in *South Cone Incorporated v. Jack Bessant and Others* (a of 25th July, 2001) at paragraph 6:

"My approach will be as follows. Findings of primary fact will not be disturbed unless the hearing officer made an error of principle or was plainly wrong on the evidence. His inferences from the primary facts may be reconsidered, but weight will be given to his experience. No question of the exercise of a discretion arises. In this way, error will be corrected, but a different appreciation will not be substituted for that of the

hearing officer if he has arrived at his conclusion without error."

The Appeal under Section 3(6) – Bad Faith

8. The Opponent relied upon the evidence of a Mr. Liebermann as showing that there had been an ongoing dispute for a number of years between the Applicant and the Opponent in a number of different jurisdictions. In particular, Mr. Liebermann referred to the fact that the Opponent had filed trade mark infringement proceedings in Germany and that, by agreement, the Applicant had agreed to cease using the trade mark MEDISON. Mr Liebermann gave evidence that the Applicant later violated that agreement.

9. In all these circumstances the Opponent contended that the Applicant filed the application in issue knowing of the dispute over the trade mark MEDISON in other territories and in circumstances such that it was reasonable to assume that there would be objection from the Opponent to any application to register the mark in the United Kingdom.

10. I was referred by the Opponent to the decision of Lindsay J. in *Gromax Plastics v. Don & Low Nonwovens Ltd* [1999] RPC 367 and, in particular, to the following paragraph in the judgment at page 379:

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the

danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

The Opponent did not allege dishonesty on the part of the Applicant, but maintained that the behaviour of the Applicant had fallen short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area in issue.

11. In my judgment the Hearing Officer was correct to reject this ground of opposition. A person may file a trade mark application with a perfectly honest belief that he is entitled to registration even though he may anticipate that an objection to registration will be raised by a third party. The applicant may genuinely believe that the anticipated objection is misconceived. I do not accept that it is any way reprehensible to file an application in such circumstances, and I do not believe that to do so constitutes unreasonable or unacceptable commercial behaviour.

12. There is no evidence before me to suggest that the Applicant did not have an honest belief in its right to register the mark in issue. The Hearing Officer concluded: "An allegation that the applicant should have been aware of the earlier trade mark, which the opponent considers similar to the applicant's trade mark in suit is not sufficient to sustain an objection to registration under this head." I agree with the Hearing Officer. Such an allegation could not, of itself, amount to bad faith.

The Appeal under Section 5(2)

13. In addressing this ground of opposition the Hearing Officer relied on the guidance of the European Court of Justice (E.C.J.) in *Sabel BV v. Puma AG* [1997] ECR I-6191, [1998] RPC 199, *Canon v. MGM* [1998] ECR I-5507, [1999] ETMR 1 and *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-3819, [1999] ETMR 690. The Hearing Officer set out a number of principles derived from these cases. No criticism was made by the Opponent of this part of the decision of the Hearing Officer. Rather, the criticism advanced by the Opponent was that the Hearing Officer then failed properly to apply these principles to the facts in the present case.

14. The Opponent first drew my attention to the findings of the Hearing Officer on page 7 of the decision that:

"Aurally the words are similar with the two syllables "Med" and "e" being identical, the third syllables having different beginnings "Son" and "Con". Clearly the concept of the slurring of endings of words and the closeness of the "s" and the "c" sound would allow for the marks to be aurally confused. Although as these goods are not likely to be selected purely by word of mouth, aural similarities are of relatively low importance.

Conceptually, both marks make clear their medical purpose with the use of the prefix MEDI. The applicant's device mark hints at the use of rays or waves, although whether the average consumer would understand the second syllable ("SON") to mean sonic is perhaps doubtful."

15. The Opponent submitted that, having made these findings, the Hearing Officer ought to have found that the marks were confusingly similar. He fell into error because he thereafter wrongly looked for distinguishing details and put too much emphasis on the graphic element of the mark the subject of the

application. It was submitted the Hearing Officer failed to give due weight to the guidance given by the E.C.J. that the matter must be judged through the eyes of the average consumer, 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 which is kept in his mind. What is more, the Opponent submitted, the Hearing Officer wrongly failed to conclude that the earlier mark enjoyed a substantial reputation in respect of the goods for which it was registered and that this increased the likelihood of confusion.

16. I am unable to accept these criticisms of the decision of the Hearing Officer. In my judgment the Hearing Officer approached the matter globally, taking account of all relevant factors, as he was bound to do. He recognised and accepted the similarities between the marks in issue but, in all the circumstances of the case, he nevertheless concluded that there was no real likelihood of confusion. He had in mind, in particular, the visual impression given by the two marks and the nature of the average consumer of the goods. In relation to the visual impression given by the marks, he said (at page 7):

"I will first consider the marks. Visually the respective marks have the first four letters and the last two letters in common and are of similar length. The only difference between the words being the fifth letter with the applicant's mark (Medison) having an "S" while the opponent's mark (Medicon) has a "C". The applicant's mark also has, at the beginning, a device which appears to be an "m" with waves emanating from it. The device is of a substantial size, and although "words speak louder than devices" that position and size of the device imbues it with above average significance."

Later in his decision the Hearing Officer specifically considered the identity of the average consumer for the goods of both parties. He concluded (at page 8):

"The differences in the marks is such that the average consumer, whether a member of the medical profession or an administrator working alongside such practitioners, would not be likely to be confused, even when the marks are used on identical goods such as those in Class 10. As Mr. Marsh said, 'They are marketing equipment to specialist positions, doctors, nurses, hospital administrators, who have to be quite au fait with a wide range of treatments and products, products for surgical use, products for medical use, drugs.'"

In the light of the visual impression given by the marks, the nature of the goods and the nature of the average consumer, the Hearing Officer came to the conclusion that although there were similarities between the marks, those similarities were more than counter-balanced by the differences and that, when all the facts were considered, there was no realistic likelihood of confusion as at the date of the application.

17. I reaching his conclusion the Hearing Officer also took account of the reputation attaching to the earlier mark MEDICON. He specifically considered whether the earlier mark had a particularly distinctive character because of the use made of it. He pointed out that much of the evidence of use was after the relevant date and that sales prior to the relevant date were not specified. He determined that the Opponent could not claim to have anything more than an 'average' reputation as at 23 December 1994.
18. In all these circumstances I am unable to identify any respect in which the Hearing Officer fell into error. He evidently had well in mind the requirement that the likelihood of confusion should be appreciated globally and the other

guidance given by the E.C.J. In the circumstances of the case, and in particular the nature of the average consumer and the visual impression given by the marks, he concluded that there was no realistic likelihood of confusion. I believe he was right to do so.

The Appeal under Section 5(3)

19. I am able to deal with this ground of objection shortly because the Opponent accepted that if it failed under section 5(2) then it could not prevail under section 5(3). In the light of my conclusions set out above, it is not therefore necessary to address this ground of appeal further.

Conclusion

20. This appeal must therefore be dismissed. The parties were in agreement that the costs should follow the event. I therefore order the Opponent to pay the Applicant the sum of £1,135 by way of a contribution towards costs, to be paid on the same basis as indicated by Mr Salthouse.

DAVID KITCHIN Q.C

11th December, 2001