

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 2152881  
by British Sky Broadcasting Limited  
to Register a Trade Mark in Class 9**

**and**

**IN THE MATTER OF Opposition thereto  
under No 50034 by Intertrust Technologies Corporation**

### **BACKGROUND**

1. On the 5 December 1997, British Sky Broadcasting Limited (“the applicants”) applied to register a series of two trade marks under application No 2152881 in Class 9. The marks in the series are reproduced below:



2. The application was accepted and published for the following specification of goods:

Television receivers including a decoder; set top boxes; all for use in decoding and reception of satellite, terrestrial and cable broadcasts.

3. On 28 July 1999, Intertrust Technologies Corporation (“the opponent”) filed a notice of opposition. The opponent says, inter alia, that they are the owners of the trade mark DIGIBOX and have made substantial use of that mark in relation to secure electronic content and/or event management. The opponent also says that it is the registered proprietors of UK trade mark registration No 2119054 - DIGIBOX - covering “computer hardware and

computer software”.

4. On the basis of these facts the opponent raised objections to registration of the applicant’s marks under the following provisions of the Trade Marks Act 1994:

- Section 3(6)
- Section 5(1)
- Section 5(2)(a)
- Section 5(2)(b)
- Section 5(3)
- Section 5(4)(a)

5. The applicant filed a counterstatement on the 8 November 1999 denying all the grounds of opposition.

6. Both sides seek an award of costs in their favour.

### **THE HEARING**

7. The matter came to be heard on the 16 October 2001. Mr P J Smart of W H Beck Greener & Co appeared on behalf of the opponent and Mr M Edenborough of Counsel, instructed by R G C Jenkins & Co, appeared on behalf of the applicant.

8. I had had the benefit of skeleton arguments from both parties prior to the hearing, from which it became apparent that the primary ground being pursued by the opponent was that under Section 5(2). Mr Smart accepted that if the opponent could not win under the primary ground, they would be in better position under Section 5(4)(a). I believe that Mr Smart was correct to adopt this position. Consequently, in practice I need only consider the Section 5(2)(b) ground of objection.

### **THE LAW**

9. Section 5(2) states

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

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

*(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.*

10. It is common ground that the opponent’s UK registration No 2119054 is an “earlier trade

mark” for the purposes of Section 5 of the Act. I must therefore determine and compare the similarities between the applicant’s SKY DIGIBOX marks (in the forms shown above) in respect of television receivers including a decoder and the opponent’s DIGIBOX marks in respect of computer hardware and software, in order to assess whether there was a likelihood of confusion on the part of the public at the relevant date of 5 December 1997.

11. In doing so I take account of the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:-

- the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG*, paragraph 22;
- the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 23;
- the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*, paragraph 23;
- a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;
- there must be evidence of similarity between the respective goods or services; in assessing such similarity all relevant factors must be considered, including the nature of the goods/services, end users, method of use, and whether they are in competition with each other or are complementary; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraphs 22 & 23;
- there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;
- mere association, in the sense that the later mark brings the earlier mark to

mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 26;

- further, 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; *Marca Mode CV v. Adidas AG*, paragraph 41;
- but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

## COMPARISON OF GOODS

12. For ease of reference, I reproduce the goods of the parties below:

### Opponents' Earlier Trade Mark

“Computer hardware and computer software”.

### Application

Television receivers including a decoder; set top boxes; all for use in decoding and reception of satellite, terrestrial and cable broadcasts.

### **Are the respective goods identical?**

13. I established at the hearing that the applicant viewed its “television receivers including a decoder”, and “set top boxes” (STB’s) as different good to each other and not merely alternative terms for the same product. I understood from Mr Edenborough’s explanation, that the former is television signal receiving apparatus which would form part of a television set itself, whereas an STB is an external piece of apparatus which would be used with a television.

14. The opponent’s mark is registered in respect of the very broad terms “Computer hardware” and “Computer software.” Mr Edenborough invited me to assess the likelihood of confusion by reference to the narrower range of goods shown in the applicant’s evidence, which is a piece of software called a “digital rights management tool”.

15. Kerly’s (13<sup>th</sup> Edition) has this to say on the point (at paragraph 8-25):

*“It is suggested that the correct approach is to consider a normal and fair use of the mark the subject of the application and, where the earlier mark is a registered mark which has not been used, a normal and fair use of it and, in the absence of argument or evidence to the contrary, the way in which the proprietor has used it can be said, at the very least prima facie, to be the paradigm case of its use in a normal and fair manner.”*

16. I do not believe that this means that where the earlier mark has been used in respect of only a sub-set of the goods for which it is registered, one should consider the earlier trade mark to be protected only for those goods. Article 11(2) of Directive 104/89 gave Member States the option of including in their national legislation a provision whereby the protection afforded to an earlier trade mark could be limited in opposition proceedings to those goods/services for which the proprietor can show the mark is not liable to revocation for non-use. The UK has not implemented legislation to give effect to that optional provision.

17. Moreover, the earlier trade mark in this case was not registered until 20 June 1997. The registered proprietor has 5 years from that date to put the mark into use. Consequently, even if the UK had implemented this provision, it could not have been applied in this case.

18. According to section 72 of the Act, registration is prima facie evidence of validity. The applicant has not counterclaimed for a declaration that the opponent's trade mark registration was partly invalid from the outset. Consequently, I must consider it to be validly registered for all the goods listed in the registration, and this must form the basis of any comparison of the goods of the respective parties under section 5(2).

19. I start by considering whether the goods of the respective parties are identical. This requires me to determine whether the specific goods listed in the application are subsumed within the general descriptions of goods listed in the opponent's registration. I do not believe that the applicant's goods would naturally be described as "computer software." Are the applicant's goods covered by the term "computer hardware?" The opponent says that they are identical goods. In order to establish this, they filed the evidence of two expert witnesses, two senior officials from the opponent organisation itself, and that of Mr Smart, their trade mark agent.

20. The expert evidence comes from Mr John Guttag, Head of the Department of Electrical Engineering and Computer Science at Massachusetts Institute of Technology, and Mr Peter G Neumann, Principal Scientist at SRI International's Computer Science Laboratory. SRI International is said to be one of the world's largest research firms. Both are clearly eminent in their field. Mr Guttag attests to having from time to time acted for the opponent as an independent consultant. Both, in essence, state categorically that television STBs are the same or at least very similar to computer hardware (and software.)

21. Mr Guttag states, at paragraphs 3 & 5 of his declaration, that:

*"3. In my opinion, television set top boxes are not readily distinguishable from computational hardware and software. In fact, the vast majority of computer processors are used as embedded devices in things such as automobiles and television receivers, and of course, each of these processors is running software".*

*"5. In addition, I note that it is already possible to access the Internet through a television set and to watch television on a computer. As time goes by, distinctions between televisions and computers will disappear. Today many people, especially teenagers, listen to music on their computers rather than on radios or other specialised devices (eg CD players). Often, this music has been downloaded from the*

*World Wide Web. As broadband access becomes more common, people will also download movies.”*

22. Mr Neumann states at paragraph 4 of his statutory declaration that:

*“4. To the best of my understanding, there are fundamental similarities between what is described in InterTrust’s UK trade mark registration for DigiBox, on the one hand, and what is described in BskyB’s trade mark application for Sky DigiBox on the other. Set-top boxes are computer systems, set-top hardware is computer hardware, and set-top software is computer software. Any attempts to make distinctions between InterTrust and BskyB on the basis of their underlying hardware and software technology seems misplaced. Special-purpose computer systems are still computer systems, and general-purpose computer systems can always be programmed to become special-purpose systems”.*

23. In British Sugar PLC v James Robertson & Sons Ltd [1996] RPC 281 (the “TREAT” case), Mr Justice Jacob stated (at pages 288/289) that:-

*“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purpose of trade. After all a trade mark specification is concerned with use in trade.”*

24. Messrs Gutttag and Nuemann describe the technical similarities between STBs and computers. I accept what they say in this respect, but I do not believe that either provide evidence about how the respective products are, as a practical matter, regarded for the purposes of trade in the UK. They are technical experts based in the USA, and this is reflected in their evidence, eg Mr Gutttag’s observation that television receivers and automobiles contain computer processors. I doubt whether anyone would regard an automobile as a computer or even as similar to a computer. I will attach the appropriate weight to their evidence when it comes to the assessment of the similarity between STBs and computer hardware. I do not find it of much assistance in determining whether STBs would have been regarded as computer hardware at the relevant date.

25. I regard that date as being December 1996, the date of the opponent’s application for registration. The opponent cannot claim protection in respect of goods that were not included in its application at the time it was made.

26. Mr Douglas Armati is the Senior Vice President of Business Development and Strategic Sales. Paragraphs 7 and 8 of his declaration are re-produced below:

*“7. Today’s television set top boxes are similar in many respects to the personal computers that are ubiquitous in homes and offices throughout the world. Set top boxes like BskyB’s contain a variety of computer hardware and software for providing an interactive viewing experience to the consumer.*

*8. It is thus clear that the protection of digital content is just as important an issue in the set top arena as it is on the Internet; indeed meaningful distinctions between these*

*two spheres are now virtually non-existent”.*

27. Mr Armati's declaration is dated February 2000. He describes the position at that time. He does not appear to me to go as far as to claim that STBs are identical goods to computer hardware. He says that they are similar in many respects.

28. Mr David Van Wie is the Chairman of InterTrust International, the international arm of the opponent. Mr Van Wie gives evidence that STBs are a “highly sophisticated combination of computer hardware and software.” He says that they can perform many of the same functions. He says that *“the similarity between set top boxes and other types of computer hardware and software is well known within the computer hardware and software industries.”* In this connection he draws attention to exhibit DVW 4 which consists of a copy of an IBM research and development paper that appears to date from the year 2000. Mr Van Wie draws particular attention to two statements in the paper, namely that there is a *“convergence of TV, computing, and networking”* and that *“[the] set top box increasingly shares many of the same hardware and software technologies with the personal computer.”* I do not believe that this goes further than noting the increasing technical similarities between STBs and personal computers.

29. Mr Van Wie also draws attention to exhibit DVW 5, which is a copy of some of the applicant's own marketing literature describing its “Open” interactive television service. This includes a statement that:

*“As a further refinement the Open .... STB uses three display layers, a background MPEG layer, a second video layer and an OSD or graphics layer used principally for overlay text. In essence the STB is a PC, without discs or keyboard, but with a number of other sophisticated peripherals contained in one small enclosure. In many ways an STB is identical to the Network Computers being used in managed business environments.*

*The power of the STB is achieved in a very cost effective manner using sophisticated software techniques. Typical boxes have the power of a high end 486 PC but with much less memory. There is no disc drive so the operating system is held in flash (electrically alterable) memory. Thus the operating system is always available when the STB is switched on, and it can be upgraded by satellite to add new features. The box always keeps a copy of the last working operating system in as a backup during to the upgrade process”.*

30. The document's purpose is to describe the technical workings of an interactive television service. It is entitled *“A Technical Summary.”* I do not think it proves that STBs and computers were regarded as identical goods in 1996 or 1997. It shows that the technical similarities between these goods was acknowledged by the applicant at some, probably later, date. It does not show that they are regarded as identical goods for the purposes of trade.

31. Neither side has filed evidence specifically directed at elaborating the kind of products that the trade would naturally designate as computer hardware. In my experience the term computer hardware is used to distinguish computer hardware from software. The term could

be naturally applied to hardware for use with computers, such modems and printers, and could also be naturally used to describe a computer. Although technically speaking STBs and computer hardware share many of the same attributes and functionality, I believe that, in 1996 and 1997, the trade would have classified a STB as a piece of television hardware, albeit TV hardware incorporating computer hardware. The respective goods would have been regarded as different commercial items. As such, I do not consider STBs and computer hardware to be identical.

32. The opponent filed evidence from Mr P J Smart. This seeks to show via exhibits, that hardware and software intended for use in computers to access the Internet and hardware and software intended for use in receiving television broadcast signals are fields that are close and are moving ever closer together.

33. Mr Smart exhibits a bundle of web pages which he says he downloaded recently (in November 2000) which show computer products (specifically a card for installing into PC's) for receiving television signals through a PC, including satellite TV signals. Mr Smart suggested that this was clear evidence that a piece of computer hardware was demonstrably a television receiver (it was so described by the manufacturers of the product) and as such proved that 'computer hardware' was identical to 'television receivers including a decoder'.

34. It is not disputed that the sort of cards shown in Mr Smart's evidence are "computer hardware". Mr Smart points out that the manufacturer of the product (a firm called "Hauppauge") refers to it as a "Win TELEVISION-D Digital TELEVISION receiver". It refers to itself as "*A US Company.....in the UK.*" This he submitted, clearly showed identity between the opponent's 'computer hardware' and the applicant's 'television receivers including a decoder.'

35. It is not entirely clear when the Hauppauge product came into existence, although I note that the Web pages in Mr Smart's evidence include copyright claims going back to 1995. Considering the opponent's evidence as a whole, I am prepared to accept that this type of product existed in 1996.

36. I accept that the sort of PC cards Mr Smart illustrates in his evidence could be naturally described in trade as either a 'television receiver including a decoder' or as 'computer hardware.' To this extent the respective specifications therefore cover identical goods.

### **Are STBs similar to computer hardware?**

37. I approach the matter taking account of the guidance of Mr Justice Jacobs in the TREAT case, where he set out the objective factors to be considered when assessing similarity. These are as follows:

#### **a) Uses of the respective goods**

The sort of PC cards described above serve a similar purpose to a STB. There is also some evidence (in exhibit DVW5) that set top boxes can be used (subject to the purchase of an optional cordless keyboard) to send E-Mail messages. On this basis Mr



Smart submitted that they should be considered similar to a personal computer. This is likely to be no more than a peripheral function of a set top box. I recall that in the TREAT case there was an argument that the defendant's spreads were identical to the plaintiff's dessert sauces because the defendant stated on its packaging that one of its uses was as a dessert topping. Jacob J. declined to find the goods identical on the grounds that such use of the defendant's goods was likely to be slight. He went on to find that the respective goods were not even similar (see pages 288-289, lines 33-52 and 1-11, respectively). I do not believe that the uses of a set top box on the one hand, and a PC on the other, can be considered the same or even similar.

**b) Users of the goods**

The users of STBs are the general public. The users of computer hardware (including TV receiver cards for insertion in home computers) would include businesses and the general public.

**c) The physical nature of the goods**

As the opponent's evidence indicates, the physical nature of the respective goods is very similar.

**d) The respective channels of trade**

Mr Smart suggested that the goods of both parties were sold in High Street electrical outlets such as Dixons and drew my attention to the evidence of Mr Crossley on behalf of the applicants where at paragraph 13(b) of his Witness Statement, he lists the manufacturers of STBs as being PACE, PANASONIC, GRUNDIG, SAMSUNG, AMSTRAD and SONY, some of whom he contended were also well-known in the computer field. I recognise AMSTRAD as a name associated with computers. I associate the others primarily with entertainment systems, although I freely acknowledge that they may also be in the computer market. I have not heard of PACE. Without further evidence I do not find this list of companies of much assistance. However, given the evidence about the technical similarity between STBs and computers, I think that it is inherently likely that some of the manufacturers of computers will also make STBs..

I would expect to be able to find STBs and computer hardware in a general electrical store, such as Dixons. However, the STBs would probably be found together with the TVs rather than with the computer hardware. I doubt whether a STB would be found in a specialist computer store, which is where I would expect to find TV receiver cards for insertion in PCs for sale.

Overall, I would say that the respective channels of trade are the same in part but with significant differences at the point of sale.

### e) The extent to what the goods are competitive or complementary

Mr Smart submitted that the convergence of TV and computing technologies means that TVs and personal computers should be regarded as in competition with each other and, by extension, that STBs are also in competition with a PC enabled for TV reception. I do not accept that this is the true commercial position in the UK market now, let alone in 1997.

38. I find that there is similarity between STBs and computer hardware, particularly with regard to their physical nature. PCs are for mainly different purposes to STBs, but a TV receiver card for use in a PC (which also falls within the term computer hardware) has a similar purpose to a STB. Nevertheless, even these goods would probably be classified and marketed differently, as TV and computing equipment, respectively.

#### **Are STBs similar to “Computer Software”?**

39. The next question to be addressed is whether the “computer software” for which the opponent’s earlier trade mark is registered is similar to STBs.

40. From the evidence of the opponent, it is clear that the product on which their DIGIBOX trade mark has been used in practice, is a software product. The opponent describes the product as a “DIGIBOX container”: This reference is from paragraph 6 of the statutory declaration of Mr Van Wie:

*“6. The DigiBox® container is a fundamental and distinctive part of InterTrust’s rights management system. A DigiBox container is a specially-designed electronic file in which digital content and the rules that govern the use of that content can be encrypted and stored. Once placed in a DigiBox container, the content and rules can be safely transmitted across insecure networks. The content can only be extracted from the DigiBox container by authorised InterTrust software that enforces the rules associated with the content. A more detailed description of InterTrust’s technology and the DigiBox container in particular, can be found in Exhibits DVW1, DVW2 and DVW3.*

*7. InterTrust realised at an early stage that its digital rights management technology could be readily applied to a broad range of digital distribution platforms. For example in 1995 I co-authored a paper that described some of the application of InterTrust’s DigiBox technology. See Sibert et al., DigiBox: A Self Protecting Container for Information Commerce, Proceedings of the First Workshop on Electronic Commerce (July 1995), attached as Exhibit DVW2.”*

41. The opponent suggests that it has always been aware of the applicability of its product to the digital TV and STB environments: per Mr Van Wie at paragraph 15:

*“15. InterTrust has always understood that its technology is applicable to a wide range of markets, including the market for digital television and set top boxes. See, eg Press Articles, attached as Exhibits DVW16 and DVW15. InterTrust’s technology*

*is a platform that enables persistent protection and management of electronic content on any media, including the computer hardware and software in television set top boxes. See Exhibit DVW1. For example, I have reviewed descriptions of BSKyB's DigiBox, and I have concluded that InterTrust's DigiBox container could be readily deployed with BSKyB's system to protect and manage the digital content downloaded to a DigiBox set top box."*

42. The opponent has established that its software product was at least capable of being used in STB's. However, there is no evidence to suggest that it actually was being so applied at that date.

43 Mr Crossly, for the applicant gives evidence that:

*".....a clear distinction can be made regarding the respective customers of BSKyB and InterTrust. BSKyB's customer is a subscriber to Sky digital broadcasts, whereas InterTrust's 'partners' are the companies incorporating InterTrust's technology into their own products. Their market may include the manufacturers of set-top boxes, but the customers are not the viewers/subscribers".*

44. I again apply the objective criteria set out above.

**a) Uses of the respective goods**

Computer software can be used for numerous purposes, including the control of access rights to data as in the case of the opponent's software. It does not serve the same purpose as a STB, although access software may serve a complementary purpose.

**b) Users of the goods**

I accept the applicant's submission that the users of STBs are ordinary consumers, whereas the users of the opponent's software are likely to be producers of products incorporating access software. The general public are, of course, consumers of many other types of software, but this is less relevant because such software lacks the complementary purpose which is at the heart of the opponent's case.

**c) The physical nature of the goods**

The physical nature of a STB is quite different to computer software.

**d) The respective channels of trade**

STBs would be sold (or rented) through a TV retailer or TV service provider. The ordinary consumer would not normally purchase associated software.

**e) The extent to what the goods are competitive or complementary**

STBs and software are not in competition with each other. To the extent that software

runs on a STB it can be considered complementary, but it is not complementary in the sense that the average consumer of STBs would purchase complementary software.

45. Overall, I find that there is little objective similarity between computer software and STBs.

## **COMPARISON OF MARKS**

### **Identity of Marks?**

46. The applicant has applied to register a series of two marks. However, the difference between them is so slight that I do not propose to distinguish between them for the purposes of this assessment. Accordingly, when I refer to the applicant's 'mark', I mean that reference to extend to both of the applicant's marks.

47. Mr Smart tried to convince me that the applicant's mark should be regarded as identical to the earlier trade mark. He based his argument on the approach of the High Court in cases such as TREAT where "added matter" is discounted. I find it hard to reconcile this approach with the ECJs judgement in Sabel v Puma to the effect that trade marks must be considered as a whole and not broken down into their component parts. I note that this is consistent with the approach of the Appointed Person (Mr G Hobbs QC) in 10 Royal Berkshire Polo Club Trade Mark [2001] RPC 643. Mr Smart sought to square the circle by arguing that "added matter" should be discounted where it cannot disturb the presumption of a likelihood of confusion which is at the heart of the protection afforded by Sections 5(1) and 10(1) of the Act.

48. I can see that there may be differences between two trade marks that are so slight that they should be discounted because they could have no possible bearing on the likelihood of confusion. I do not believe that the presence of the word "Sky" in the applicant's mark falls into this category. Consequently, I reject Mr Smart's submission. Therefore, insofar as Section 5(2)(a) of the Act is concerned, the ground is bound to fail.

49. Section 5(2)(b) however speaks of the similarity between the marks. The differences and similarities between the marks in suit are self-evident and it is not necessary to analyse those in detail. The consideration boils down to the effect of the SKY (logo) element and the difference it makes (or otherwise) in distinguishing between the marks in suit. Clearly the DIGIBOX elements in both parties marks are to all intents and purposes, identical.

## **DECISION - LIKELIHOOD OF CONFUSION**

### **Significance of the reputation of the Sky trade mark**

50. Mr Edenborough argued that the SKY element would serve as a clear distinguisher between the marks, even if the goods were found to be the same or similar. He took me through the applicant's 1997 accounts which were in evidence to see how big the applicant is. He proceeded to quote various statistics and comments taken from the applicant's 1997 Annual Report, concluding that they support his contention that the applicant is well-known for being cable and satellite television suppliers and as such, that repute would mitigate against the likelihood of confusion because of the presence of their well known "SKY" mark within

the later trade mark.

51. According to the judgements of the ECJ in Sabel v Puma and Canon v MGM, the reputation of the earlier mark can be taken into consideration as a factor liable to increase the likelihood of confusion. There is no authority of which I am aware to the effect that the reputation of the later mark should be taken as liable to decrease the likelihood of confusion with an earlier trade mark. If that were so the proprietor of a trade mark which has acquired a significant reputation would be able to plant that trade mark in front of the trade mark of another undertaking, in a different field of activity, and appropriate it as his own. That cannot be right. Whilst there is a certain logic to Mr Edenborough's submission it overlooks the fact that Section 5 requires only "a likelihood of confusion on the part of the public." It does not necessarily require the public to believe that the applicant's goods are, or are connected with, the proprietor of the earlier trade mark. Confusion in either direction will do. I therefore reject Mr Edenborough's submission that the reputation of the "Sky" mark with the public decreases the likelihood of confusion.

### **Where identical goods are concerned**

52. The position is relatively clear in the case where I have found identity between the respective goods at issue - ie between the "computer hardware" of the opponent and the "TV receivers including decoders" of the applicant. The earlier trade mark is contained within the later mark. Although the word DIGIBOX alludes to the descriptive words DIGITAL BOX, this does not mean that the DIGIBOX element is completely lacking in distinctive character. Although it is not the most distinctive mark, it has a trade mark character. I believe that if the applicant's mark and the earlier mark were used in relation to the same goods the average consumer of 'TV receivers including decoders' would be driven to the conclusion that these were variant marks used by the same or economically connected undertakings. The opposition under Section 5(2)(b) therefore succeeds insofar as these goods are concerned.

### **Where the goods are not the same**

53. I next turn to consider the position as far as STBs are concerned. It appears from the exhibits to Mr Smart's evidence that TV receiver cards including decoders are offered for sale to the general public for the purpose of adapting a PC to receive TV programs. These goods fall within the description 'computer hardware' in the opponent's specification.

54. Although the channels of trade are likely to be different, the fact that:

- a) the same consumers - the general public - are the end users;
- b) TV receiver cards for TVs and STBs serve a very similar purpose;
- c) the applicant's mark includes the whole of the earlier trade mark as a separate and distinctive element;

– is likely to cause the average consumer to believe that the undertaking using the mark SKY Digibox for STBs is the same or economically connected to the undertaking that uses the

mark DIGIBOX for PC cards for receiving and decoding digital TV. Consequently, I find that the similarities between the respective marks and goods combine to result in a likelihood of confusion on the part of the public, including the likelihood of association. The opposition therefore also succeeds to the other item (STBs) within the applicant's specification.

55. In the light of these findings it is not strictly necessary for me to consider the opponent's alternative submission that there is a likelihood of confusion as a result of the registration of the earlier trade mark for computers (within the term computer hardware) and computer software. However, in case I am found to be wrong on my findings so far I will do so.

56. The opponent claims that the earlier trade mark has been used and become well-known in the UK in relation to the STB environment because of their participation in developing technical standards for STBs. Mr Armati gives evidence that in July 1997 the opponent submitted a proposal to the M-PEG-4 standards body explaining how content developers for set top boxes and other devices could use the opponent's software to provide intellectual property management solutions. The document in question is exhibited at DA2. Although it includes a reference to cable TV and satellite, it is not dedicated to the application of the opponent's software in these areas. Many other potential applications are listed. Mr Armati states that the opponent is a founder member of the Open Set Top Box Initiative, which includes companies such as Philips Electronic, IBM, General Instruments, and the Mitsubishi Corporation. However, it is not clear whether this activity predates the relevant date for the assessment of the likelihood of confusion in these proceedings, which is 5 December 1997.

57. Mr Van Wie gives further evidence about the use of the earlier trade mark prior to the relevant date. The evidence concentrates on the opponent's promotion of its technology from 1995 onwards. There is no evidence of actual sales. The promotion was not specifically directed at the STB market. There are few references to this particular application in documents dating earlier than December 1997.

58. I am left with the impression that the earlier trade mark may have been known by some companies in the electronics industry in the UK market by December 1997, and it is possible that some of them recognised the potential for utilising the opponent's software in the STB environment. However, the earlier trade mark had no reputation with the general public and, at most, only a limited recognition amongst the trade. I do not find the opponent's evidence of reputation sufficient to influence my assessment of the likelihood of confusion arising from use of the applicant's mark in relation to STBs.

60. I can state my conclusions with regard to the use of the respective marks in relation to PCs and STBs briefly. I consider that the differences between the marks of the parties are sufficient to avoid a likelihood of confusion in circumstances where the similarity between the goods is as slight as is the case between PCs and STBs. The main distinction I draw between PCs and the sort of TV receiver cards described above is that, unlike TV receiver cards, the purpose of a PC has little similarity to the purpose of a STB. In consequence, the average consumer is not encouraged to consider whether the similarities between the marks is a sign of an economic association.

61. Nor do I find that the applicant's use of its mark on STBs is likely to result in confusion

with the earlier mark used in relation to software, including the particular software of interest to the opponent.

62. The evidence indicates that the opponent's software product is aimed at the content producers of STBs whereas the end user of STBs are the general public. These companies are, of course, more discerning than the end consumer, and for this reason amongst the least likely to be confused. Mr Armati claims to be aware of confusion arising as a result of the applicant's use of its mark in relation to STBs. However, he does not particularise or support the claim and I regard it as no more than an assertion.

63. The end consumer does not buy digital rights management software, or any other type of software, for his STB. This weights heavily against the likelihood of confusion in my judgement.

64. The evidence of Mr Van Wie at paragraphs 27-35 (Exhibits DVW9 - DVW12) seeks to show how the opponent's DIGIBOX trade mark would be displayed in use on a TVscreen and in a computer application. However, it transpired that this was merely what was *envisaged* by the opponent. Mr Smart submitted that the "mock-up" of the screens in Mr Van Wie's evidence showed examples of what should be considered fair and normal use of the mark, and was every bit an example of fair and normal use of the earlier mark as eg putting "DIGIBOX compatible" on marketing literature about STB's or on their packaging.

65. I consider this 'evidence' to be self serving. Unless the average consumer of a STB has the opportunity to select the software he runs on it, I do not accept that it would be normal practice to display the trade mark of the software running on the STB when it is in use. For the same reason, I cannot see what point would be in including the trade mark of the access software on the packaging of the STB. Mr Smart did suggest that the software on a STB was capable of being upgraded from time to time, but he was unable to persuade me that the end user has any control over that, and there is no evidence to support the point. I reject this aspect of the opponent's case.

66. In the light of my earlier findings these conclusions do not affect the outcome of the opposition, which succeeds in full for the reasons given earlier.

## **COSTS**

67. The opposition having succeeded the opponent is entitled to a contribution towards his costs. I order the applicant to pay the opponent the sum of **£1,400**. This sum is to be paid within seven days of the end of the period allowed for appeal.

**Dated this 15 Day of February 2002**

**Allan James  
For the Registrar  
The Comptroller-General**

