

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

**IN THE MATTER OF APPLICATION NO. 1587585  
BY OMNIOFFICES MANAGEMENT CO, INC  
TO REGISTER THE MARK OPTIMA OFFICES  
IN CLASS 35**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 45931  
BY FINISH GROUP LIMITED**

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**DECISION**

On 10 October 1994 Omnioffices Management Co, Inc applied to register the mark OPTIMA OFFICES for a specification of services which reads

"Rental and leasing of office equipment and office machines; leasing of personnel; personnel recruitment; personnel consultancy; including personnel management, employment consultancy and personnel management consultancy; business consultancy services, in the form of administration of business affairs, business management assistance, business administration services, management assistance; rental and leasing of operational business services, including envelope addressing, business administration services, clerical services, computerised data processing, document copying, data processing, document duplicating, secretarial services, telephone answering, typewriting, word processing; all included in Class 35, but not including rental and leasing of furniture, consoles, cabinets and racks, all adapted or fitted to contain electrical circuits, electrical apparatus or electronic instruments."

The application is numbered 1587585.

On 21 November 1996 Finish Group Ltd filed notice of opposition to this application. The grounds are in summary

- (i) under Sections 9 and 10 of the Act in that the mark applied for is neither adapted to distinguish or capable of distinguishing the proprietors' services
- (ii) under Section 11 by reason of the use made of the mark OPTICA by the opponents. (The mark is in fact registered under No. 1550494 but the opponents have not specifically raised an objection under Section 12 of the Act).

The opponents also ask that the application be refused in the exercise of the Registrar's discretion.

The applicants filed a counterstatement denying or not admitting the above grounds.

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

5 Both sides filed evidence. Neither side has requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

10 By the time this matter came to be decided, the old Act had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. These proceedings having begun under the provisions of the Trade Marks Act 1938 however, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the 1994 Act. Accordingly, all references in this decision are references to the provisions of the old law, unless otherwise indicated.

15 **Opponents' evidence**

The opponents filed an affidavit by Shuki Shwartz, their Managing Director. He says that the opponents have made substantial use of their registered mark OPTIMA in relation to the goods of its specification, these being

20 "Frames, display boards, panels and screens; work surfaces; shelves, drawers, cupboards, trays, boxes, worker signboards, wire management accessories; brackets; all the aforesaid goods being office furniture; office furniture in modular or component form; all included in Class 20; but not including tables or cabinets."

25 Mr Shwartz describes the company's background in the following terms

30 "The Opponent's predecessor company was founded in Israel in 1938; and has since the beginning of 1990 specialised in the manufacture and distribution of a range of office furniture products including a modular system which allows partitioning to be inter-connected both vertically and horizontally to any length or height. The system provides for flexibility in that it is capable of being interlinked with desks, desk tops, tables, pedestals, filing cabinets and other office furniture to suit the requirements of each individual business customer.

35 The Opponent is the largest office furniture manufacturer in Israel, having a sales turnover in Israel of \$20 million; and having an international turnover of \$30 million in the sale of exported and licensed goods. The Opponent's headquarters are situated at Kiriya-Ata (near Haifa), Israel where it also has a 300 sq metre showroom. It also has  
40 a large 1,000 sq metre showroom in Tel Aviv and a 7,000 square metre factory in Carmiel, in the north of Israel."

He exhibits a sample of the opponents' brochure (Exhibit SS1 at tab 2)

45 He says that

"In October 1992 the Opponent first launched its "OPTIMA" panel system onto the

European market, when it exhibited its "OPTIMA" products at the Orgatec International Office Furniture Fair in Cologne, Germany which takes place every two years. The Opponent has had stands at that fair in October 1992, October 1994 and October 1996. Orgatec is the biggest office furniture fair in the world and is visited by thousands of customers and potential customers, many of whom are from the United Kingdom. The Opponent's products have also been exhibited at the "WorkPlace" exhibitions at London's Olympia in November 1995 and November 1997. Consequently, I am able to state that the Opponent's products bearing its "OPTIMA" trade mark have, since at least October 1992, acquired a "European" reputation."

He describes the process of marketing his company's goods in the UK in the following terms

"Immediately after the launch of the Opponent's "OPTIMA" products at the Orgatec '92 Exhibition, the Opponent sent to its then UK distributor, Paul Caplan of the Business Design Centre in Islington, London, a supply of its "OPTIMA" brochures so he could launch the product onto the UK market. Unfortunately, he was in what I would describe as a "traditional" office furniture business and was not able to cope with the Opponent's advanced technology relating to its "OPTIMA" system; and his distributorship was terminated at the end of November 1993. Nevertheless, the Opponent's "OPTIMA" brochure was available to visitors to Paul Caplan at the Business Design Centre as from October 1992.

In May 1993 the Opponent appointed Mr Bob Stevens as its UK Marketing Manager to manage the interests of the Opponent in the UK and to identify a suitable distributor to take over from Paul Caplan. Mr Stevens liaised with the UK furniture company, HNB Systems Limited ("HNB") which had its London showroom at Whittington House, 13-30 Alfred Place, London WC1. During this time, a supply of the "OPTIMA" brochure was provided to Bob Stevens with his address on it to enable him to promote the sale of "OPTIMA" branded goods in the UK. During this transitional period, the Opponent had been negotiating with HNB to enter into a formal Distribution Agreement and, on 3 February 1994 the Opponent entered into a formal Distribution Agreement with HNB for a minimum term of two years expiring on 31 December 1995 which was extended beyond that date until, HNB went into liquidation in 1997. A copy of the Distribution Agreement is at **tab 3** of the exhibit hereto.

It has not been possible to obtain actual UK sales figures from HNB, due to the liquidation of that company; but, I am able to state that during the period February 1994 to the end of December 1996, the Opponent's "OPTIMA" branded goods to the total value of £806,000 were exported to the United Kingdom from Israel. This does not represent the retail value of sales in the United Kingdom. Actual sales volume in the United Kingdom had a mark-up factor of 2.8 times the import value, so that the value of the Opponent's goods sold in the United Kingdom during those years is as follows:-

<u>Year</u>	<u>Import Value</u>	<u>Mark Up Factor</u>	<u>UK Sales</u>
1994	68,000	2.8	190,400

1995	268,000	2.8	750,400
1996	470,000	2.8	1,316,000
	<u>£806,000</u>		<u>£2,256,800</u>

I should state that HNB ordered only the quantities and types of goods for which they had corresponding orders from customers in the UK. In addition, I should state that the above sales figures relate only to the panel partitioning systems and accessories imported into the UK. HNB manufactured and sold a range of desk tops and storage units in conjunction with the panelling system also under and by reference to the "OPTIMA" trade mark; so that actual turnover of product under the "OPTIMA" trade mark was much greater than the figures stated above."

At tab 4 of SS1 Mr Shwarz exhibits a list of OPTIMA installations in the UK.

Turning to promotion of the products Mr Shwarz says

"Over the years, the Opponent has spent a considerable amount on marketing and promotion of its products bearing its "OPTIMA" mark. In October 1992 the Opponent first published its "OPTIMA" brochure and had quantities sent to the UK for distribution initially, through its distributor based at the Business Design Centre and, thereafter through its Marketing Manager and through HNB and at exhibitions. The brochure has been re-printed on a number of occasions, the first of which showed the Opponent's London Showroom as at HNB Furniture at the Whittington House address. Another print run showed HNB as "U.K. Sole Distributors". Expenditure on the Opponent's OPTIMA brochure allocated to the UK was £29,835.00. The brochure is still extensively used by the Opponent for marketing and promotion.

In 1994 the Opponent published its corporate brochure showing the address of its then UK distributor, HNB Furniture. A sample of the Opponent's corporate brochure is at **tab 5** of the exhibit hereto. Expenditure during 1994 on this brochure allocated to the UK was approximately £20,000. I should state that, although that brochure refers to other of the Opponent's products called "Grapho", "Onyx" and "Trio", no such branded products were or are, at present, sold in the UK. As stated above, the desking components and storage units were supplied by HNB; so that, from February 1994, sales in the United Kingdom were exclusively under the "OPTIMA" range, both in respect of the partitioning systems and the desking and storage units.

The Opponent's "OPTIMA" brand has been the subject of advertising in the trade press in the UK by the distributor, HNB. A sample of an advertisement which appeared in the magazine "FX" which is the leading publication for the office furniture industry, is at **tab 6** of the exhibit hereto.

As stated above, the Opponent has taken exhibition stands at Europe's major office furniture fair, "Orgatec" in October 1992, October 1994 and October 1996. In each of the three years of the exhibition, the Opponent's stand has been visited by customers from all over Europe, including the United Kingdom. A preview of "Orgatec '94"

appeared in the September 1994 magazine, PACE Interior Architecture, featuring the Opponent and its products and referring to its showroom in London. A copy of the article is also at **tab 6** of the exhibit hereto. The magazine is published in Hong Kong and I am able to say that the Opponent's goods have made an impact not only on the European market, including the United Kingdom, but also internationally. Copies of other articles in the trade press concerning the "OPTIMA" brand are also included in **tab 6** of the exhibit hereto. The magazine "Design Week" circulates throughout the UK."

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10 The remainder of Mr Shwartz's declaration deals with events after the material date in these proceedings. A copy of the applicants' brochure is exhibited at tab 10.

**Applicants' evidence**

15 The applicants filed two statutory declarations. The first comes from Joseph D Wallace, the Chief Financial Officer of Omni Offices, Inc. which is said to be one of the largest owner/operators of executive suite business centres in the United States. He describes the company's business as follows

20 "OPTIMA OFFICES is a provider of short term office space, telephone answering and related business services in the United States. Currently, there are 37 Optima Offices centers in the United States, each of which is co-located with an OmniOffices business center. Optima Offices provides offices for rent on a daily or monthly basis, with conference room rental, secretarial services, mail forwarding, and phone answering services available to both on-site customers and off-site customers. A typical Optima Offices customer works at home or has no fixed office requirement. This customer uses Optima Offices as a telephone and mail forwarding service, and for occasional office or meeting facility support. Please refer to Exhibit A for further details.

25

30 Currently in the United States, Optima Offices has approximately 2020 customers. The typical charge for a standard set of monthly services starts at \$95.00, which includes a certain amount of phone call volume and mail forwarding. A standard Optima Offices facility is approximately 3,000 square feet. Currently, there are no Optima Offices facilities located outside of the continental United States; nor are there any OmniOffices facilities located outside of the continental United States.

35

Optima Offices targets individuals who work at home, and small and regional companies that do not require or cannot afford fixed office space. Typically these customers are either entrepreneurs or, in some cases, local representatives of larger companies that participate in tele-commuting programs."

40

Mr Wallace offers further comment on the US business which I do not consider to be directly relevant to the position in this country but I should record the following comments in relation to the nature of the business

45

"By definition, since they have no offices, Optima Offices customers neither have nor presumably require standard office furniture, potential cross-over between Optima

Offices customers and purchasers of office furniture design and build services appears to be extremely limited. Optima Offices sells directly to the end user through direct marketing and advertising. There is no dealer network on which Optima Offices relies to sell its services."

5

Finally he says that no instances of actual confusion have come to his attention.

10 The second declaration comes from Anna Garland Meanley, a trade mark attorney with the firm which has the conduct of the case for the applicants. Her declaration is mainly concerned with legal argument and submissions in relation thereto. I bear her comments in mind in coming to my own view of the matter. She also records details of a number of other OPTIMA marks and suggests that these are co-existing with the opponents' registration. That may be so but there is no indication that they are in use so I consider them to be of marginal (if any) relevance.

15

That concludes my review of the evidence.

20 The opponents have raised objections under Sections 9 and 10 of the Act on the basis that the applicants' mark is neither adapted to distinguish or capable of distinguishing the services concerned. So far as I can see that claim has never been explained or commented on in the evidence. The opponents themselves have the word registered and the applicants point to a number of other registrations of the word OPTIMA (the word OFFICES in the mark applied for is of course purely descriptive and has been disclaimed). The Registry's examiner accepted the mark as being suitable for Part A of the register. For my part I can find no fault with that decision. The Sections 9 and 10 objections are, therefore, dismissed.

25

30 As noted above the opponents have referred to their registration (No. 1550494) but have made no claim that the application is open to objection under Section 12 of the Act. Thus I do not need to decide whether the applicants' services are of the same description as the opponents' goods. The Section 11 objection is not in any case restricted to an "of the same description" test and must be considered on its merits having regard to the evidence filed.

30

Section 11 reads

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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 scandalous design."

40

The established test for an objection under this Section is set down in Smith Hayden and Company Ltd's application (Volume 1946 63 RPC 101) later adapted by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand the test may be expressed as follows:

45

Having regard to the user of the mark OPTIMA is the tribunal satisfied that the mark applied for, OPTIMA OFFICES if used in a normal and fair manner in connection with

any services covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

5 I take as my starting point the fact that for practical purposes the marks are identical in terms of their distinctive elements that is to say the word OPTIMA.

10 It seems that at the material date the applicants were not active outside the United States and so have no claim to priority of user themselves. The opponents claim to have launched their OPTIMA panel system on the European market in October 1992 at the Orgatec International Office Furniture Fair in Cologne. It is said that the Fair attracts visitors from the UK. Despite their claim to a European reputation from that date the opponents' attendance at Orgatec does not establish use of the mark in this country.

15 Thereafter the opponents established a relationship with Paul Caplan of the Business Design Centre. The distributorship was short lived for the reasons given by Mr Shwartz and was terminated in November 1993. OPTIMA brochures are said to have been available at the Business Design Centre from October 1992, there is no evidence of any actual trade resulting.

20 It was not until 3 February 1994 that another distributor was appointed, HNB Systems Ltd. Although sales figures for HNB are not available due to the latter's liquidation, goods in the form of panel partitioning systems and accessories to the value of £68,000 were supplied to them during 1994 (I take this to mean between 3 February and 31 December). That raises the question as to whether HNB put them on the market in this country and sold them on though I note Mr Shwartz says that "HNB ordered only the quantities and types of goods for which I  
25 they had corresponding customers in the UK". Apparently HNB also manufactured and sold a range of desk tops and storage units in conjunction with the panelling systems but no figures are available as to the dates and volumes for this trade.

30 More generally no invoices or other documentation has been supplied to substantiate the sales of goods to HNB in 1994 and there is no indication as to whether it took place before or after 10 October 1994 (the material date). It might be thought reasonable to infer that some sales probably did take place before that date but I cannot say with any certainty that this is the case as the pattern of business may not have been small regular sales. Tab 4, for instance, is a list of installations in the UK. It was supplied in 1998 and is not expressly said to reflect the  
35 position at October 1994. Some 17 customer names are listed. That is a relatively small number of customers and may include customers after October 1994. Either way it suggests that individual sales are reasonably large and probably on an irregular basis. That in turn points to the need to establish the number of customers and dates of sales in 1994 with some  
40 care.

45 Making the best I can of the above the opponents have not clearly established priority of user as distinct from an intention to trade at the material date. On that basis the Section 11 case does not get off the ground. On the other hand even if I were to infer such use it is only in respect of panel partitioning systems and accessories.

In case I am wrong in reaching the above view I go on to consider what the evidence establishes about the nature of the respective goods and services and in particular whether



confusion amongst a substantial number of persons will result if the applicants use their mark in a normal and fair manner.

5 The opponents have not indicated that their attack is directed towards any particular sub-set of services within the applied for specification. I assume, therefore, that they object to the application in its entirety. I will say straightaway that I can see no conceivable basis for objection to the various personnel, employment consultancy and business administration and consultancy services contained in the specification. It seems more likely that the objection is against the term 'rental and leasing of office equipment and office machines'. To put the matter another way I cannot see any other services which offer the opponent a better chance of success.

15 A question arises as to the scope of the term 'office equipment' and what it will be notionally open to the applicants to do within this part of their specification. I note also that the applicants have added an exclusion to their specification (covering rental and leasing of various furniture items). Whether this was in response to a threatened or actual attack is not clear. Applying the principle that strictly you cannot exclude from a specification items which are outwith its original scope it might be thought that the applicants consider that the term rental and leasing of office equipment covered rental and leasing of the excluded items. However their action in adding the exclusion may simply reflect an attempt to reach an accommodation with the opponents or another party rather than an admission as to the scope of their specification.

25 Would the opponents' panels and partitioning systems come within the term office equipment and, if so, be capable of exclusion under the head 'rental and leasing of furniture' etc? It seems to me that to the extent that the provision of panels and partitioning is part of the process of equipping an office then these items might be said to come within the term office equipment. However, taking the words 'office equipment' in the sense that, I think, they would generally be understood the term is far more likely to mean hardware items such as computers, printers, photocopiers etc. In other words I doubt that the term office equipment would normally be taken to mean or include, panels and partitioning or office furniture generally. In my view therefore the rationale for the exclusion is debatable but it does no harm in so far as it clarifies what the applicants' are not interested in.

35 If I am right in my understanding of the term office equipment, it constitutes a quite different market from that of panels, partitioning systems and office furniture generally. In the absence of any evidence and/or argument as to why I should come to a different view I conclude that there is no likelihood of confusion.

40 On the other hand if I am taking too narrow a view of the term then it seems to me that the exclusion must come into play to remove any potential source of confusion. If the opponents have other causes for concern they have not explained them beyond the generalised assertions in their statement of grounds. Moreover I cannot see anything in the way the applicants' business operates that justifies the opponents' concerns. Their business is the supply of fully serviced office accommodation. Their customers presumably want the finished product and do not want to be involved in the process of installing fixtures, fittings and furniture. Conceivably the applicants themselves in setting up furnished and equipped office

accommodation might come across the opponents' goods. The parties might consider it something of a coincidence that they were both using the mark OPTIMA but for obvious reasons they would not be confused.

5 In summary I am firstly not persuaded that the opponents have substantiated their claim to  
priority of user at the material date. In any case I cannot see any reason why use of OPTIMA  
OFFICES on the services of the applicants' specification would cause confusion with the  
10 goods on which the opponents' claim use. If I am wrong on both of these accounts the  
opponents in their evidence have concentrated exclusively on establishing their use and  
reputation but failed to explain or provide persuasive reasons as to how in the circumstances  
of the trade confusion is likely to occur. The opposition therefore, fails under Section 11.

15 There remains the matter of the registrar's discretion. I see no reason why this should be  
exercised against the applicants.

As the applicants have been successful they are entitled to a contribution towards their costs.  
I order the opponents to pay the applicants the sum of £435. This sum to be paid within seven  
20 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.

25  
**Dated this 28 day of April 2000**

30 **M REYNOLDS**  
**For the Registrar**  
**The Comptroller General**