

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2018635
BY CLIMATEMASTER LTD TO REGISTER A MARK IN CLASS 11

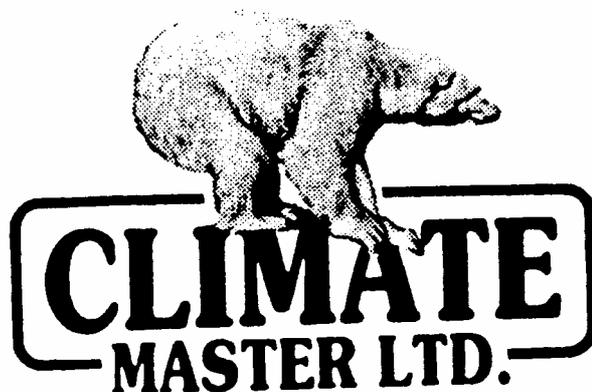
AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO 49931
BY CLIMATE MASTER INC

DECISION

Introduction

1. This is an appeal to the Appointed Person by Climatemaster Ltd (“the Applicant”) against the decision of Mr Reynolds, the Hearing Officer acting for the Registrar, dated the 28th August 2001. In his decision the Hearing Officer upheld the opposition by Climate Master Inc (“the Opponent”) to trade mark application number 2018635.
2. By that application the Applicant sought to register the mark depicted below for a specification of goods which reads “air conditioning apparatus, heat pumps, de-humidifiers and refrigerated units”.



3. The opposition was based on section 5(2) of the Trade Marks Act 1994 (“the Act”). The objection was founded upon the earlier registration by the Opponent of the trade mark CLIMATE MASTER registered in respect of the following specification of goods: “heat pumps and parts and fittings therefor, all for commercial purposes; all included in Class 11; but not including portable oil burning space heaters”.
4. The Opponent contended that the mark applied for is similar to the earlier trade mark of the Opponent and relates to goods which are either the same or similar to those of the earlier trade mark. The Applicant denied the contention of the Opponent and asserted that it had used the mark applied for on a continuous basis since July 1987. It contended that it was entitled to registration on the basis of honest concurrent use under section 7 of the Act.
5. There is a further relevant aspect to the background which I should mention. As noted by the Hearing Officer, this is the second set of proceedings between the parties. In the earlier proceedings the roles of the parties were reversed. In those proceedings, decided under the Trade Marks Act 1938, the Applicant opposed the registration by the Opponent of the trade mark CLIMATE MASTER. The Opponent was successful in those proceedings and the application then under attack proceeded to registration. That registration is the earlier trade mark which forms the basis of the objection by the Opponent to the application in issue in these proceedings.

The Decision of the Hearing Officer

6. The Hearing Officer found that the opposition under section 5(2) of the Act succeeded. In summary, he found that the mark applied for was similar to the earlier trade mark and was sought to be registered for goods in some cases identical with and in other cases similar to those for which the earlier trade mark was protected. He considered that, as a result, there existed a likelihood of confusion on the part of the public.
7. The Hearing Officer referred to the earlier proceedings between the parties. He noted that in those proceedings the current Applicant’s case in opposition

to the registration by the current Opponent of the trade mark CLIMATE MASTER was based essentially on section 11 of the Trade Marks Act 1938. In those proceedings the Hearing Officer reached the conclusion that the two marks in issue in these proceedings were confusingly similar. Nevertheless the opposition failed because the current Opponent began to use the mark CLIMATE MASTER in the UK first and the Hearing officer accordingly found that any confusion and deception that might occur could not be laid at the door of the current Opponent, but rather must be due to the subsequent entry into the market of the current Applicant.

8. The Hearing Officer then proceeded to express his own view on the issue of similarity of marks and goods. In doing so he properly took into account the guidance provided by the European Court of Justice (“the ECJ”) in *Sabel BV v Puma AG* [1998] ETMR 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] ETMR 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723. The Hearing Officer noted that he must consider the distinctive and dominant components of the respective marks and that a lesser degree of similarity between the marks might be offset by a greater degree of similarity between the goods, and vice versa.
9. The Hearing Officer concluded that the parties’ respective specifications covered identical goods insofar as they related to heat pumps and that otherwise the goods were similar. In particular, he had regard to the fact that heat pumps can have the facility to reverse from cooling to heating by means of a reversing valve and that an automatic change-over thermostat signals the units to operate on either the cooling or the heating cycle.
10. Turning to the marks in issue the Hearing Officer took into account that the marks were not identical. He had regard to the fact that the mark the subject of the application contains a prominent device element and the word “LTD”. Nevertheless he concluded that the mark of the Applicant incorporated the whole of the earlier trade mark and, in his view, captured the distinctive character of that mark, notwithstanding the presence of the polar bear device.

He concluded that someone who was familiar with the Opponent's mark and who subsequently encountered the Applicant's mark in relation to identical or closely similar goods might reasonably think that the businesses were in some way related, or perhaps that the Opponent was now using an additional device element with its word mark.

11. Finally the Hearing Officer had regard to the contention that the Applicant was entitled to registration on the basis of its honest concurrent use of the mark the subject of the application. In this regard the Hearing Officer properly concluded that he had to consider whether the ground of objection under section 5 was made out and, if it was, then honest concurrent use could not overcome the objection. Nevertheless, and again correctly, the Hearing Officer had regard to the fact that under section 5, the fact that there had been actual use of the trade mark concurrently with the earlier trade mark might be relevant in determining whether or not there was a likelihood of confusion.
12. The Hearing Officer then considered the extent to which the marks in issue had been used and concluded that, given the closeness of the marks and goods in issue, there would need to be clear evidence that the parties' activities had exposed the relevant public to the competing brands and that the public had been shown to be able to distinguish between them, if the objection under section 5 was to be overcome. He found that he was unable to reach such a conclusion. In all the circumstances he found that there was a likelihood of confusion and that the opposition under section 5(2) of the Act succeeded.

The Appeal

13. On the 24th September 2001 the Applicant gave Notice of Appeal to an Appointed Person. The matter first came before me on a preliminary hearing following an application by the Applicant to amend its pleadings and adduce further evidence. I refused that application in a written decision of the 14th May 2002. The substantive hearing of the appeal took place before me on the 1st August 2002. The Applicant was represented by Mr Peter Banks, a director. The Opponent was represented by Miss Clark, instructed by Ladas & Parry.

14. Mr Banks advanced a number of criticisms of the approach and decision of the Hearing Officer. First, he criticised the conclusion of the Hearing Officer that the goods the subject of the application and those the subject of the earlier trade mark were similar. In particular, he submitted that the nature of the goods supplied by the Applicant was very different to the nature of the goods supplied by the Opponent. He submitted the Applicant was a specialist in machines made to the order of particular customers whereas the goods of the Opponent were “production line” machines.
15. I am unable to accept this criticism of the decision. It appears to me to proceed on a misapprehension of the statutory objection. Section 5(2) required the Hearing Officer to consider all of the goods for which registration was sought and whether they were similar to those for which the earlier trade mark was protected. I believe that the Hearing Officer approached the issue correctly and arrived at the right conclusion. He took into account the nature of heat pumps, air conditioning apparatus and de-humidifiers and refrigerated units, their functions and the potential customer base for each. He rightly considered notional use across the breadth of the specifications. I believe he came to the correct conclusion that the respective goods are similar.
16. Secondly, Mr Banks criticised the Hearing Officer in his consideration of the issue of the similarity of the marks and the likelihood of confusion. In particular Mr Banks submitted that the business of the Applicant was conducted in a specialist market, and that despite the use by the Applicant and the Opponent of their respective marks over very many years, there had been no confusion in practice. He submitted that this was powerful evidence that the marks themselves were not confusingly similar.
17. I do not believe that the Hearing Officer fell into error in considering these issues. First of all, Mr Banks’ submissions again proceed on a misapprehension of the statutory test. The Hearing Officer was required to consider a notional use across the breadth of the specifications. This he properly did. He also carefully considered the two marks and took proper

account of the fact that the words and device in the mark the subject of the application must be considered distinctive and equally important elements of that mark. Nevertheless, he concluded that the Applicant's mark incorporated the whole of the Opponent's earlier trade mark and captured the distinctive character of that mark, notwithstanding the presence of the polar bear device. He determined that the device was unlikely to displace or significantly reduce the impact of the words of the Applicant's mark and that, accordingly, someone who was familiar with the Opponent's mark and who subsequently encountered the Applicant's mark in relation to identical or closely similar goods might reasonably think that they were in some way related or, perhaps, that the Opponent was now using an additional device element with its word mark.

18. The Hearing Officer then proceeded to consider the evidence which he had before him as to the actual use of the marks in issue. He carefully considered this evidence with a view to assessing whether or not the absence of instances of confusion was evidence of the fact that the two marks were not in fact confusingly similar. Having considered that evidence the Hearing Officer formed the view that the evidence did not elucidate whether the Applicant's mark had been used in relation to the goods the subject of the application or as a mark applied in relation to installation services. He evidently had in mind that the provision of services under the mark the subject of the application might be less likely to cause confusion than the use of the mark in relation to goods such as heat pumps and air conditioning systems. He concluded that the absences of instances of confusion was little more than a reflection of both parties' relatively small scale activities to date and the fact that the activities of the Applicant were directed more towards the provision of services. Moreover, the fact that confusion had not arisen in the past was not a guarantee that it wouldn't occur in the future.
19. I have carefully considered the evidence which was before the Hearing Officer and I believe he was entitled to come to the conclusions which he did. In my view the Hearing Officer rightly concluded that the use which had been made by the Applicant of the mark applied was primarily in connection with

services. I believe that he was entitled to conclude that this evidence was not sufficient to displace the prima facie conclusion that he had come to that the respective marks were similar and were to be registered for identical or similar goods and that consequently there existed a likelihood of confusion.

20. Thirdly, Mr Banks suggested that the Applicant had been treated unfairly and that the Hearing Officer ought to have held a preliminary hearing at which the deficiencies in the evidence of the Applicant could have been drawn to its attention and subsequently addressed.
21. I do not accept this is a fair criticism. In my view there is no obligation upon the Registrar to point out to a party potential deficiencies in its evidence. In any event, the Opponent specifically pointed out in its evidence in support of the opposition that its understanding was that the Applicant had used its mark principally as a service mark for the installation and maintenance of air conditioning systems and heat pumps. The Applicant then had an opportunity to address this issue in its evidence as it best thought fit.

Conclusion

22. In all the circumstances I am unable to say that the Hearing Officer erred in principle or was clearly wrong. The appeal must be dismissed.
23. The Hearing Officer ordered the Applicant to pay to the Opponent the sum of £935. He stated that the sum was based upon the published scale of costs and made some allowance for the fact that the Opponent was represented by Counsel at the hearing.
24. Mr Banks submitted that this sum was excessive. I do not accept that this is so. The sum does fall within the scale of costs applicable to these proceedings and I am unable to conclude that the Hearing Officer exercised his discretion in any way unreasonably.
25. The Opponent seeks its costs of the appeal and the costs of the hearing in May 2002, which I reserved. I must take into account that Mr Banks appeared for

the Applicant and the Opponent appeared by Counsel. I must also take into account the fact that the appeal was not unduly complex and that the hearing in May 2002 did provide some elucidation of the issues, albeit that I dismissed the application. In all the circumstances I order that the Applicant pay to the Opponent £935 as a contribution towards its costs of the appeal and of the application and hearing in May 2002. That sum is to be paid in addition to and on a like basis to the sum awarded by the Hearing Officer in the proceedings below.

DAVID KITCHIN QC

10th September 2002