

O-389-031

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2220509  
BY CHARALAMBOUS PORTELLI  
TO REGISTER THE TRADE MARK PHILOS IN CLASS 9**

**AND**

**IN THE MATTER OF OPPOSITION No. 80367  
BY KONINKLIJKE PHILIPS ELECTRONICS N.V.**

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by Charalambous Portelli to register the Trade  
Mark PHILOS in Class 9**

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by Koninklijke Philips Electronics N.V.**

### **BACKGROUND**

1. On 28 January 2000 Charalambous Portelli applied to register the mark PHILOS in relation to a specification of goods which reads:

“Communications apparatus and instruments; telephone networks, mobile telephones, telephone handsets; satellite communication apparatus and instruments; broadcasting apparatus and instruments; tracking, monitoring and locational apparatus and instruments; apparatus and instruments for accessing and using the Internet and other databases; computer hardware, firmware and software; components, parts and fittings for all the aforesaid goods, all being in Class 9.”

The application is numbered 2220509.

2. On 14 November 2001 Koninklijke Philips Electronics N.V. (Philips) filed notice of opposition to this application. Philips is the proprietor of the registrations, details of which are contained in the Annex to this decision.

3. The opponents say that, through their subsidiary and associated companies internationally, they have used company names and trading styles such as Philips Communications and Philips Paging from which it has derived a substantial goodwill and reputation in the UK.

4. Philips make the following claims and submissions in relation to the mark at issue:

- “(a) PHILIP(s) (m) is a Greek name (meaning “friend of horses”) which is composed of the elements PHILOS “friend” and HIPPOS “horse”;
- (b) PHIL (m) is a short form of any name beginning with PHIL, a Greek element meaning “friend”;
- (c) PHIL is an accepted variant of both PHILIP(s) and PHILOS;

- (d) Both PHILipS and PHILoS have five of the same letters appearing in the same order, ie visually both have PHIL as their prefix and S being the last letter in each case. As five of the letters of PHILOS are the same as PHILIPS, this leaves only the letter “O” to distinguish the marks which it cannot effectively do as it appears amid the word. The majority of the respective marks is the same and amounts to the entirety of both marks being similar for the purposes of the Act.”

Furthermore it is said that:

“PHILIPS is not only a famous trade mark of the Opponent, its singular variant is also a very famous name in Greek history. Philip II (382-336 B.C.) was the father of Alexander the Great, and King of Macedonia. Subsequently, there were two saints named PHILIP. Also Prince Philip was born on the Greek island of Corfu. Greek people like to give their children the names of former kings and saints as well as combinations of words having loving meanings such as PHILO-, PHIL, indicating love from Greek PHILOS.”

5. The grounds have evolved during the course of the opposition and give rise to an issue as to the precise grounds the applicant is being asked to address. I will deal with this during the course of my decision. The grounds as contained in the amended version of the statement of case are as follows:

- (i) under Section 1(1) of the Act as “the two trade marks are ... phonetically and visually similar and as PHILOS is not capable of distinguishing goods from those of PHILIPS”;
- (ii) under Section 3(6) in that the application has been made in bad faith because the applicant is “aware of PHILIPS, its notoriety, goodwill and reputation and has used the variant PHILOS which is phonetically and visually similar”;
- (iii) under Section 5(2)(b) in that the marks are visually and phonetically similar and there exists a likelihood of confusion;
- (iv) under Section 5(3) in the event that the Registrar should consider any goods to be dissimilar it is said that use of the applied for mark would take unfair advantage of and be detrimental to Philips’ reputation.

The applicant filed a counterstatement denying the above grounds and offering certain submissions in relation to the respective marks.

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

7. Both sides filed evidence. The matter was originally set down to be heard on 2 December 2003 with only the applicant intending to be represented. In the event he too withdrew his request to be heard and the matter falls to be decided on the basis of the papers filed.

## Opponents' evidence

8. Philips filed evidence as follows:

- Eric Kenneth Hanson - statutory declaration dated 28 October 2002
- Arie Westerlaken - affidavit dated 18 October 2002
- Michael Geoffrey Morris - statutory declaration dated 25 October 2002.

9. Mr Hanson is the trade mark attorney for the opponents and their UK subsidiary, Philips Electronics UK Limited (PEUK). He exhibits:

- EKH 1 and 2 - copies of Compu-Mark search notifications and correspondence between the parties prior to the filing of the opposition;
- EKH 3 and 4 - a copy of the trade mark application file for No. 2220509 and a Registry Work Manual extract from which he concludes that the application was wrongly accepted for publication and that Philips' marks should have been cited and a Section 3(6) objection raised;
- EKH 5 - extracts from internet dictionaries intended to show that PHILOS is well known and widely used;
- EKH 6 - material showing certain famous people bearing the name Philip and the origination of the name;
- EKH 7 - the search criteria and results obtained by an independent expert searcher in relation to the mark PHILOS;
- EKH 8 - a selection of advertising, promotional and product material showing use of "Philips – the friend of the family";
- EKH 9 - a sheet showing the words PHILOS and PHILIPS set out side by side;
- EKH 10 - copies of the front page of various brochures and printed matter showing use of the PHILIPS marks.

10. There are two further points in Mr Hanson's evidence that I should briefly refer to. The first is a registration of the mark PHILOS by Olivetti which the applicant refers to in the correspondence at EKH 2 claiming that Olivetti had no objection to the applicant's use and registration of the mark. Contrary to the applicant's suggestion, Mr Hanson says that Philips did object to the Olivetti mark and subsequently concluded a worldwide agreement with them. The effect of Philips' agreement with Olivetti and the implications for Mr Portelli's application are dealt with at length in the evidence by both sides. I will deal with it in my decision below.

11. The second point is a statement that:

“Further verbal [Hearsay] evidence confirmed that sales people in Vodaphone, O2, Fones4U and Carphone Warehouse thought PHILOS was PHILIPS or a possible new range from Philips. This indicates a very strong likelihood of confusion and association with the Opponent.”

12. No information is given as to the identities of the individuals concerned, the circumstances in which the issue arose, the question asked or the reasons for their holding the view claimed. I find this evidence to be of no assistance.

13. Mr Westerlaken is the General Secretary to the Board of Management of the opponent company. He firstly exhibits (AW1) an extract from the opponents’ website and at AW2 the opponents’ CTM registrations. As the latter form no part of the pleaded case (in the sense that they were not identified in accordance with Rule 13(2) of the Trade Marks Rules 2000) and no request has been made to amend the statement of grounds I pay no regard to these registrations. Exhibit AW3 is a further example of the words PHILOS and PHILIPS being presented together. Exhibit AW4 shows the result of an experimental search for PHILOS which produced 100 entries for PHILIPS. The full search results are not exhibited so it is not possible to say what other ‘hits’ occurred. There is also inferential comment on the applicant, his address and his capacity to conduct a business in the goods applied for. I will deal with this in my decision.

14. Mr Morris is a Director and Company Secretary of PEUK. He exhibits (MGM1) details of the earlier trade marks relied on by the opponents. He also exhibits (MGM2) a selection of brochures, leaflets and point of sale material showing the manner in which the opponents’ trade marks are used upon or in relation to communications equipment, telephones, networking, mobile phones, antennas, PC peripherals as well as other consumer electronic products.

15. He gives annual sales turnover for PEUK of well in excess of £1 billion per annum for each of the four years preceding the material date. It is, he says, estimated that on average there are more than five PHILIPS branded products in every UK house. Website material showing the opponents’ history and reputation is exhibited at MGM3. The specification of the application in suit is said to cover the activities of several business units of PEUK. Mr Morris also exhibits (MGM4) glossaries of terms relating to various standards laid down by the opponents in relation to areas of technology on which the applicant would need to rely.

16. Mr Morris goes on to exhibit (MGM5) a list of company names, business names, division names and trading styles used in the UK by PEUK. I note that all employ the word PHILIPS usually with a descriptive element. Mr Morris, too, exhibits (MGM6) a sheet with both marks reproduced thereon. Finally, he exhibits (MGM7) an extract from an MSN search on the internet. The domain name [www.philos.co.uk](http://www.philos.co.uk) was submitted but not found. However the computer system found the similar web address [www.philips.co.uk](http://www.philips.co.uk). I note that it also found other so called similar web addresses viz [www.phelps.co.uk](http://www.phelps.co.uk) and [www.phls.co.uk](http://www.phls.co.uk).

### **Applicant’s evidence**

17. The applicant filed evidence as follows:

Janice Margaret Trebble – witness statement dated 28 April 2003

Charalambous Portelli – statutory declaration dated 29 May 2003

18. Ms Trebble is the applicant’s professional representative in this matter and a partner in Saunders & Dolleymore.

19. Much of Ms Trebble’s evidence is in essence a response to, and submissions in relation to, the evidence filed by the opponents. I take these comments and submissions into account but do not propose to offer a detailed summary at this point. She also provides the following exhibits:

- JMT 1 - an internet search using more general search engines conducted on the word PHILOS. There is she says no reference to PHILIPS;
- JMT 2 - samples of ‘hits’ thrown up by a Compu-Mark search based on the word PHILOS. Ms Trebble suggests that it is in the nature of such searches that they generate marks which are not necessarily similar when viewed as a whole;
- JMT 3 - further material in relation to the third party mark (owned by Olivetti);
- JMT 4 - a list of live company names taken from the Companies House website and showing companies whose names begin with PHILIPS. Some of them are said to have an interest in the electrical/electronic or telecommunications fields. Print outs are also supplied. Similar material is provided in relation to the word PHILLIPS (ie the variant spelling of PHILIPS);
- JMT 5 - an extract from the residential telephone directory for London dated January 2000 showing hundreds of entries for PHILIPS and its variant forms. On the basis of this material Ms Trebble suggests that PHILIPS is a common surname and lacks inherent distinctiveness.

20. Mr Portelli gives evidence as to his reasons for adopting the mark PHILOS. He is primarily of Greek Cypriot extraction but has lived in England for most of his life. He is, he says, familiar with Greek Cypriot culture and language. He says he chose the mark PHILOS as it means “friend to everything and anything” in Greek but also implies wisdom, faithfulness and trustworthiness. It is intended to convey the attributes he wishes to have associated with his products and the way he conducts business. He suggests other people in Britain are not aware that ‘Philip’ derives from the ancient Greek expression ‘philos hippos’. Rather PHILIP or PHILIPS will be seen as names. He offers submissions as to why the parties’ marks are not likely to be confused and rejects the allegation that he has acted dishonestly. He refers to his dealings with Olivetti as evidence of the propriety with which he has conducted his trade mark application.

21. Mr Portelli goes on to deal with his plans to licence use of his mark. For reasons which will become apparent later in this decision I do not propose to summarise this part of his declaration.

### **Opponents' evidence in reply**

22. The opponents filed a further statutory declaration by Eric Kenneth Hanson. This is in large measure a development of issues that have been dealt with in earlier evidence rounds. A further six exhibits have been supplied:

- EKH 11 - annual company returns for Security Technology Ltd, Mr Portelli's proposed licensee. The company has not yet traded;
- EKH 12 - an Office decision in relation to a patent application by Mr Portelli concerning a portable, hand-held emergency alarm transmitter. It is suggested that this is the product of interest in No. 2220509;
- EKH 13 - the results of internet searches showing that there are no entries for the company Security Technology Ltd;
- EKH 14 - further correspondence bearing on the Olivetti point and from which it appears that Olivetti felt unable to give a letter of consent but that their registration was allowed to lapse at the next renewal date;
- EKH 15 - an exchange of correspondence with Compu-Mark regarding the scope of any watching service based on the mark PHILOS and suggesting that it would throw up PHILIPS trade marks;
- EKH 16 - website material regarding the choice of Christian names suggesting that the meaning and derivation of names is something to which careful attention is paid.

23. I will deal with Mr Hanson's other submissions to the extent necessary in my decision below. That completes my review of the evidence.

### **SECTION 1(1)**

24. I will take the objections in order commencing, therefore, with Section 1(1) which reads:

“1.-(1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

25. The ground of objection is framed in the following terms:

“The two trade marks are, therefore, phonetically and visually similar and as “PHILOS” is not capable of distinguishing goods from those of PHILIPS, then it is not a sign registrable under Section 1(1) of the Trade Marks Act 1994.”

26. Prior to being amended to this form the ground of objection was as follows:

“The two trade marks are, therefore, phonetically and visually similar and as “PHILOS” is not capable of distinguishing goods from those of PHILIPS, then it is not a sign registrable under Section 1(1) of the Trade Marks Act 1994. Any sign which does not satisfy the requirements of Section 1(1) is an absolute ground for refusal under Section 3(1)(a) of the Trade Marks Act 1994.”

27. The second sentence was removed when the Registry’s Law Section pointed out that Section 3(1)(a) dealt with an absolute ground for refusal whereas the objection is couched in terms which suggest that the applied for mark is ineligible for registration as a result of the relative rights of the parties. I cannot see any logic in removing the second sentence in an apparent effort to meet the Registry’s point but retaining the reference to Section 1(1). I assume it was intended to focus any objection on the ‘capable of distinguishing’ point rather than whether the mark applied for is a sign capable of being represented graphically. It was indicated in AD 2000 Trade Mark [1997] RPC 168 that “the requirements of Section 1(1) are satisfied even in cases where a sign represented graphically is only “capable” to the limited extent of being “not incapable” of distinguishing goods or services of one undertaking from those of other undertakings”. That minimum test is satisfied. There is no objection open to the opponents under Section 1(1).

### **SECTION 3(6)**

28. Section 3(6) reads:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

29. The specific objection under this head is said to be that:

“... the Applicant is very much aware of PHILIPS, its notoriety, goodwill and reputation, and has used the variant PHILOS which is phonetically and visually similar and that the application has been made in bad faith and should be refused under the provisions of Section 3(6) of the Trade Marks Act 1994.”

30. That seems to me to represent an objection on relative grounds that more properly falls to be dealt with under Section 5 of the Act. PHILIPS is something of a household name in the domestic electrical appliances field. I would find it somewhat surprising if the applicant was not aware of them. However, being aware of another person’s mark is not a ground for refusing registration. I can see no basis for concluding that the application was filed in bad faith in this respect having regard to Lindsay J’s observations in *Gromax Plasticulture v Don & Low Nonwovens* [1999] RPC 367 that bad faith includes “dealings which fall short of the standards of



acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.” No such charge can be levelled at the applicant.

31. There is a further issue under Section 3(6) that I should briefly touch on. In Mr Westerlaken’s evidence for the opponents he comments on the fact that the application has been filed in the name of an individual and goes on to suggest that it is unlikely to be within the capabilities of an individual to offer the range of goods applied for given the resources etc needed. He concludes this part of his affidavit with the suggestion that the applicant could not have had a bona fide intention to use the mark for all the goods claimed. The point was responded to by Mr Portelli in his evidence including the fact that he had licensed use of the mark to Security Technology Ltd. The matter was further addressed in Mr Hanson’s reply evidence on behalf of the opponents. Further sub-arguments appear to the effect that Security Technology should be the applicant instead of Mr Portelli and that a particular patent application that has been the subject of a decision in the Office more accurately reflects the real goods of interest.

32. I indicated in my letter to the parties reviewing the case that there seemed to me to be inconsistency between the Section 3(6) ground as pleaded and the claims and issues subsequently dealt with in the evidence rounds. The latter addressed or raised an issue to do with the breadth of the applicant’s specification and, as a consequence, the applicant’s intentions (that is to say issues that arise under Section 32(3)). No such ground of objection appears on the face of the statement of grounds. Nor has there been any request to amend the grounds to introduce such a point either at the time the point was first raised or as a result of the views I expressed as part of the case review process. The need for clear and full particularisation of grounds of objection has been made in a number of cases (see, for instance, the first three cases reported in [2000] RPC Issue 9). In all the circumstances I decline to consider this unpleaded aspect of the objection under Section 3(6).

## **SECTION 5(2)**

33. This reads:

“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.”

34. Sub-paragraph (b) applies here. The marks relied on by the opponents are earlier trade marks within the meaning of Section 6(1)(a) of the Act.

35. In approaching the issues under this head 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] RPC 117, and *Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77.

36. The opponents rely on four registrations in Classes 9 and 38. There are two in each of these Classes covering the word PHILIPS solus and that word in conjunction with the familiar PHILIPS device mark. The specifications in each of the Classes 9 and 38 registrations are in substantially identical terms. I propose to base my consideration on No. 927851 which is for the word PHILIPS solus and covers Class 9 goods. This registration appears to offer the opponents their best chance of success or, to put the matter another way, they are unlikely to succeed on the basis of their other registrations if they fail on this one.

37. The question for consideration under Section 5(2)(b) is whether there are similarities in terms of the marks and goods in issue that would have combined to give rise to a likelihood of confusion if, at the relevant date, the earlier and later marks had been used concurrently in the United Kingdom in relation to the goods in issue. In applying this principle of interdependency a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods (*Canon v MGM*, paragraph 17).

38. Before dealing with that composite question it is necessary to consider the marks, goods and a number of surrounding issues.

### **Comparison of goods**

39. The first part of the applied for specification covers a range of communications or telecommunications apparatus and instruments. Such goods must be identical to “wireless television, telecommunications ..... apparatus and instruments.” I bear in mind also that the opponents have electrical and electronic apparatus and instruments at large. These broad terms are likely to cover many if not all of the specific goods itemised in the applied for specification. In addition to the goods which have a communication/telecommunication theme there is “computer hardware, firmware and software”. I regard computer hardware as being identical to the opponents’ “computers and data processing apparatus” and at least similar to the firmware and software. The final item in the specification of No. 2220509 is “component parts and fittings for all the aforesaid goods”. That is matched by comparable wording in the opponents’ specification. In short either identical and/or closely similar goods are in play.

### **Distinctive character of the marks**

40. The distinctive character of the respective marks is a factor that must be taken into account (*Sabel v Puma*, paragraph 23). It is an important part of the opponents’ case that the respective marks share a common stem and to that extent converge on a single idea. I have recorded their reasons for believing this to be the case in paragraph 4 above. Mr Hanson’s evidence, (particularly Exhibits EKH 5 and 6), goes to substantiating the claim that PHILOS is more

widely used and known than the applicant's attorneys and the Hearing Officer who dealt with Mr Portelli's application (at the ex parte stage) appeared to be aware.

41. The opponents are perfectly correct in saying that 'phil' or -"phile" are combining forms derived from the Greek word meaning lover of or love of. 'Philharmonic', 'philately' and 'euromphile' are examples of words in common usage that employ these elements. No doubt there is a proportion of the population (notably those of Greek origin or who have studied Greek) who will understand the derivation of such words. Strictly there is no evidence on levels of awareness but my strong impression is that many more people will understand the words themselves than understand their derivation. That view is not dispelled by the exhibited material at EKH5 and 6. Much of this material is derived from website searches of encyclopaedias, lexicons and philosophical research sites. It does not tell me a great deal about the average consumer's state of knowledge or how such a person would approach the marks in issue in the context of the goods for which they are respectively registered and applied for (see *Rewe Zentral AG v OHIM*, [2002] ETMR 91 and *Libertel*, [2003] ETMR 63). In that respect I do not find it credible that the average consumer will either be aware that PHILIP(S) is derived from the elements 'philos' (meaning friend) and 'hypos' (meaning horse) or that those who might possess the linguistic skills to establish such a meaning will perform such a process. For the overwhelming majority of consumers in this country PHILIPS will mean a surname and nothing more. PHILOS has not been shown to have any particular meaning for the average consumer. Exhibit EKH5 shows that Philo (of Alexandria) was a writer of philosophical essays dealing with biblical themes. Again the mere fact that his name appears in an Encyclopaedia of Philosophy tells me nothing about what PHILOS will mean when used in relation to the goods applied for. It may or may not be considered a name. It is just as likely to be taken as an invented word. Having reached the above view on how the respective marks are likely to be perceived by consumers there is still the question of how distinctive they are in the context of the goods. Distinctiveness may be either inherent or acquired (*Sabel v Puma*, paragraph 24). It is rather easier to determine the character of the applied for mark. No use is claimed by the relevant date. PHILOS is said by Mr Portelli to carry desirable connotations of 'wisdom, faithfulness and trustworthiness' in Greek culture. To that limited extent it alludes to a method of doing business but it is an oblique reference. To the majority of UK consumers it will simply be an invented or unusual word or name. I regard it as having a reasonably high degree of distinctive character.

42. The applicant has filed evidence to show that PHILIPS is a common surname (bearing in mind also its variant spellings). In fact PHILIPS with a single L appears to be considerably less common than the double L form but they are of course phonetically identical. However, even if that might point to a low degree of inherent distinctiveness the position is more than offset by Philips' reputation in relation particularly to a wide range of consumer electronic goods and domestic appliances. That point does not in my view require fuller analysis or explanation. Put simply Philips is a household name. The position outside the consumer electronics field is somewhat less clear but I note that Exhibits MGM 2 and 3 to Mr Morris' declaration show that Philips is also active in the business communications field. I, therefore, proceed on the basis that the opponents enjoy an enhanced reputation in relation to the communications and telecommunications goods that are at the heart of this dispute.

### **Searches undertaken by the parties**

43. Before going on to compare the respective marks there are two issues that I must touch on which have generated exchanges of evidence. Both have attracted rather greater attention than they warrant but in deference to the parties' evidence and submissions I will comment on them here. The first is by way of an extension of the opponents' contention that the Registry's examiner and ex parte Hearing Officer failed to undertake the necessary searches and to apply the procedures and guidance set down in the Registry's Work Manual. It is the opponents' belief that their PHILIPS marks should have been cited. To redress this perceived deficiency, the opponents have filed the search criteria and search results of an independent expert searcher based on the word PHILOS. The search appears to have been cast in very broad terms and shows PHILIPS marks amongst the 'hits'. The difficulty in this approach is easily demonstrated by noting that the hits summary also shows up marks as diverse as PHOCIS, PHILOSOPHER'S STONE, FILIUS, VILOX, HOLOS etc. The applicant in turn has provided the results of a similar search to demonstrate that searches are often drawn up in terms which generate marks which are not necessarily similar when viewed as a whole. Similar exchanges have taken place in relation to web-site searches.

44. I do not find such material to be of assistance in determining the issue before me. Firstly, the question of whether and to what extent marks are similar for the purposes of the Act and the tests I have to apply is a matter for the tribunal. It is not a question that can be answered by reference to the competing claims of searches conducted by or on behalf of the parties. Secondly, the results of searches are of necessity determined by the breadth of the search criteria and the purpose of the search. A search that is in all respects adequate to identify marks that might be considered citable will almost inevitably have to be framed in terms that pick up other non-citable matter. It is the evaluation of the results that counts. Thirdly, the merits or demerits of the search conducted at the ex parte stage cease to be relevant when an opposition is filed. I must approach the matter with a fresh pair of eyes. I do not propose, therefore, to give weight to the searches conducted by the parties.

### **The Olivetti mark**

45. During the course of the examination process the Registry raised an identical mark (PHILOS) in the ownership of Olivetti as a citation against Mr Portelli's application. Both sides have sought to draw on the circumstances surrounding this mark to their own advantage. Put briefly the applicant notes that the Olivetti mark was registered in the face of the Philips registrations and suggests that Olivetti had indicated they had no objection to his application (albeit that their registration was about to lapse). The opponents submit that, contrary to this, they did object to the Olivetti mark but subsequently concluded an agreement with Olivetti. They point to correspondence between Olivetti's attorneys and the applicant's attorneys where the former made it clear that their agreement with Philips required them to abandon the mark after a fixed period of time and not to renew it. Olivetti further indicated that they were unable to consent to use and registration of Mr Portelli's mark. For obvious reasons the commercial circumstances that lay behind the agreement between Olivetti and Philips have not been disclosed to me. There may be many reasons why parties will conclude agreements irrespective of what the outcome would be if the matter were litigated to a conclusion. It would in my view

be quite wrong to assume that the agreement in question should be taken to mean that the marks PHILOS and PHILIPS are similar. That is a matter for me to decide by applying the appropriate tests and not by reference to either side's agreement, or dealings, with third parties.

### **Similarity of marks**

46. It is well established that the visual, aural and conceptual similarities of the marks must be considered. That process must pay due regard to the overall impression created by the marks bearing in mind their distinctive and dominant components (*Sabel v Puma*, paragraph 23). It must also be conducted from the standpoint of the average consumer. In the context of the goods applied for I take the view that there is unlikely to be a single class of consumers. Many of the items listed would be aimed at sophisticated business or commercial users (e.g. telephone networks, tracking and monitoring apparatus etc). At the other end of the consumer spectrum mobile telephones are used by the vast majority of individuals in the country. The average consumer test must, therefore, make due allowance for these various categories of users and recognise that varying degrees of knowledge and attention will be brought to the purchasing process. Nevertheless, I would expect most if not all of the goods concerned to be purchased with some care. They are, after all, technical items requiring a certain amount of attention to be paid to the functionality, price etc of the products.

47. It is also deemed to be a characteristic of the average consumer that he or she normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel v Puma*, paragraph 23). That is important in this case because, for the reasons given above in considering the distinctive character of the marks, I am strongly of the view that consumers will not make or seek to undertake the sort of semantic comparison between the respective marks that is at the heart of the opponents' case.

48. Whilst it is usual and necessary to consider visual, aural and conceptual similarities in turn that is not, of course, how consumers approach marks. Visual acquaintance with word marks will also convey to the consumer the idea behind the mark (if it is something other than an invented, meaningless or unknown word). I take the view here that the average consumer will unhesitatingly and without analysis take the opponents' mark to be a surname. Not merely that, it is a relatively common surname particularly if its phonetic variants are taken into account.

49. I bear in mind also that surnames have traditionally been treated somewhat differently to other words. It was, for instance, recognised in *Buler Trade Mark* [1966] RPC 141 that "surnames stand in a different position from the point of view of spelling from ordinary words in the English language, for spelling is a matter of considerable importance in distinguishing one surname from another". If that is true in relation to comparison of surnames it must equally be so where a common surname is being compared to an invented or meaningless word. I, therefore, find that conceptually the marks are quite distinct.

50. Visually it is perfectly true, as Philips point out, that both marks share the first four letters and the final S. That is enough to say that at a superficial level there is some visual similarity. But the average consumer will not dissect the marks in this way and will not note the points of

similarity without also apprehending that the opponents' mark is a common surname whilst the applicant's mark is clearly not.

51. Turning to phonetic considerations, the pronunciation of PHILIPS is not in doubt. Nor is it in doubt that both PHILIPS and PHILOS are composed of two syllables. There is some disagreement as to how PHILOS will be pronounced. Mr Portelli says that it is "pronounced 'fee-los' with the letter 'i' pronounced as a long 'ee' sound and equal emphasis on both syllables." Mr Hanson, for the opponents, suggests that this is, as he puts it, a somewhat naïve attempt to find a phonetic separation and that the word may be pronounced in different ways according to the accent and vernacular of various regions within the UK. I assume Mr Portelli's view is based on the intended pronunciation of the mark. But there is no reason to suppose that consumers will be aware of this. My natural inclination was to pronounce PHILOS with a short 'i' sound and with the emphasis on the first syllable. I readily concede that other possibilities exist notably Mr Portelli's long 'e' sound for the first syllable or a 'y' sound (as in 'fine' say). A range of possible pronunciations should, therefore, be allowed for. The short 'i' sound would result in the first syllable being identical to that of the first syllable of PHILIPS. That is the high point of the opponents' case on aural similarity.

52. Taking all these factors into account I find only a small degree of similarity between the respective marks and that the superficial points of similarity are outweighed by the different significations of the words.

### **Likelihood of confusion**

53. In the light of the above considerations I can deal fairly briefly with the net effect of the comparison of marks and goods. I am satisfied that even allowing for use of the respective marks on identical or similar goods there is no likelihood of confusion. In reaching that view I have made due allowance for sequential rather than concurrent encounters with the marks (and, therefore, imperfect recollection). Furthermore as is noted in *Marca Mode CV v Adidas AG* [2000] ETMR 723 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. Even if consumers, noting the points of similarity, called to mind the opponents' mark, that would not in my view result in confusion as to trade origin. The opposition fails under Section 5(2)(b).

### **SECTION 5(3)**

54. As I understand the opponents' statement of grounds this has only been pleaded in the event that I were to find any of the applicant's goods to be dissimilar. As I have found the respective goods to be the same or similar I do not need to consider this ground. It would in any case fail in the light of my views on the respective marks.

### **COSTS**

55. The opposition as a whole has failed. The applicant is entitled to an award of costs. I order the opponents to pay the applicant the sum of £1700. This sum is to be paid within seven 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.

**Dated this 15th day of December 2003**


**M REYNOLDS  
For the Registrar  
the Comptroller-General**

## ANNEX

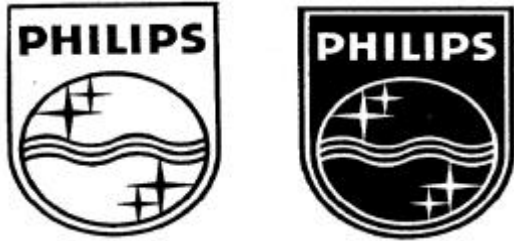
Details of the registrations relied on by the opponents

<b>No.</b>	<b>Mark</b>	<b>Class</b>	<b>Specification</b>
927851	Philips	09	<p>Scientific, electrical, nautical, surveying, electronic, control and welding apparatus and instruments, all included in Class 9; wireless, television, telecommunication, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), and teaching apparatus and instruments; coin or counter freed apparatus; talking machines; sound and image amplifying, recording and reproducing apparatus, instruments and media; gramophone records, tapes for reproducing and recording sound and images, carrying cases for gramophone records, racks adapted to hold gramophone records; fitted cases, cassettes and reels, all for storage of recording tapes and for recording wires; spindle hole adapters, for gramophone records; films prepared for exhibition, cassettes, or containers included in Class 9 for storage of films; microtomes; photographic flash lamps; photographic dark room lamps; infra-red and ultra violet apparatus and lamps, all included in Class 9; electronic tubes (not for lighting); semi conducting devices included in Class 9; photo-electric cells; electrodes and holders therefor; protective shields, goggles, and clothing for protection against accident or injury (not wholly or principally of rubber, synthetic rubber, balata, gutta percha or caoutchouc), all for use by welding operatives; wires and cables; all being electric; cases fitted or shaped</p>



		<p>for scientific, mechanical, electrical and electronic apparatus and instruments; computers, data processing apparatus, adding machines, accounting machines, counting machines, invoicing machines, apparatus for recording date on cards by means of perforations, and telegraphic transmitting and receiving apparatus (all using perforated paper strips), and combinations of any of the aforesaid apparatus and instruments; cash registers; calculating machines; parts included in Class 9 of electrical, optical and mechanical signal transmission apparatus for use with accounting machines, calculating machines, typewriters and with recording and counting registers; electrical registering apparatus, relays included in Class 9; time recording instruments, instruments for the automatic control of pre-determined signals, automatically controlled devices for feeding paper into accounting machines, all being electrically operated; and parts and fittings included in Class 9 for all the aforesaid goods.</p>
927855		09 <p>Scientific, electrical, nautical, surveying, electronic, control and welding apparatus and instruments, all included in Class 9; wireless, television, telecommunication, photographic cinematographic, optical, weighing, measuring, signalling, checking (supervision), life saving and teaching apparatus and instruments, coin or counter-freed apparatus; talking machines; sound and image amplifying, recording and reproducing apparatus, instruments and media; gramophone records, tapes for reproducing and</p>

		<p>recording sound and images, carrying cases for gramophone records, racks adapted to hold gramophone records; fitted cases, cassettes and reels, all for the storage of recording tapes and for recording wires; spindle hole adapters for gramophone records; films prepared for exhibition, cassettes of containers included in Class 9 for storage of films; microtomes; photographic flash lamps; photographic dark room lamps; infra-red and ultra-violet apparatus and lamps all included in Class 9; electronic tubes (not for lighting); semi-conducting devices included in Class 9; photo-electric cells; electrodes and holders therefor; protective shields, goggles and clothing for protection against accident or injury (not wholly or principally of rubber, synthetic rubber, balata, gutta percha, or caoutchouc), all for use by welding operatives; wires and cables, all being electric; cases fitted or shaped for scientific, mechanical, electrical and electronic apparatus and instruments; computers, data processing apparatus, adding machines, accounting machines, counting machines, invoicing machines, apparatus for recording data on cards by means of perforations and telegraphic transmitting and receiving apparatus (all using perforated paper strips), and combinations of any of the aforesaid apparatus and instruments; cash registers; calculating machines; fire extinguishing apparatus; parts included in Class 9 of electrical, optical and mechanical signal transmission apparatus for use with accounting machines, calculating machines, typewriters and with</p>
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			<p>recording and counting registers; electrical registering apparatus; relays included in Class 9; time recording instruments, instruments for the automatic control of predetermined signals, automatically controlled devices for feeding paper into accounting machines all being electrically operated; and parts and fittings included in Class 9 for all the aforesaid goods.</p>
1273356		38	<p>Telecommunication, telephone, telegraph, telex and teleprinting services; radio and television broadcast transmission services; rental of apparatus for use in the provision of all the aforesaid services; all included in Class 38.</p>
2000212	<p><b>PHILIPS</b></p>	38	<p>Telecommunication, telephone, telegraph, telex and teleprinting services; radio and television broadcast transmission services; rental of apparatus for use in the provision of all the aforesaid services; all included in Class 38.</p>