

O-136-04

**IN THE MATTER OF AN APPLICATION
NO. 2246293 BY
INGENICO FORTRONIC LTD
TO REGISTER THE MARK
INGENICO**

AND

**IN THE MATTER OF OPPOSITION
NO 52664 THERETO BY
RETAIL RESEARCH & DEVELOPMENT LTD**

**IN THE MATTER Of an application
No. 2246293 by Ingenico Fortronic Ltd
to register the mark INGENICO**

AND

**IN THE MATTER OF opposition
No. 52664 thereto by Retail
Research & Development Ltd**

BACKGROUND

1. On 21 September 2000, Ingenico Fortronic Ltd applied for registration of the mark INGENICO. The mark was advertised for the following specification of goods and services:

Class 9

Computers, computer hardware, computer software, printers, data processing equipment, electronic and computer terminals for recording and processing transactions of value including terminals for use with credit cards at point of sale, computer programs, voice and data instruments, magnetic and optical recording and transmission apparatus parts, fittings and apparatus used for adapted for the foregoing.

Class 16

Instruction manuals, guides, handbooks and other printed matter all relating to computers and computer software and computer programs for use in connection with computers and computer programs; paper, paper tapes and card all for the recordal of computer programs, computer software in printed form, all included in Class 16.

Class 37

Maintenance and repair of all forms of computer hardware including point of sale terminals.

Class 42

Maintenance and repair of all forms of computer software, including software used in point of sale terminals.

2. The application is numbered 2246293.

3. On 12 June 2001, Retail Research & Development Ltd filed notice of opposition to the application. The grounds of opposition are, in summary;

Under section 5(2)(b) -because the mark applied for is similar to the opponent's earlier trade mark registrations and is sought to be registered for identical and/or similar goods and services

Under section 5(4)(a) -by virtue of the law of passing off

4. Details of the earlier marks relied on by the opponent are as follows:

Mark	No.	Class	Specification
INGEN	UK 1324294	9	Computer programmes included in Class 9
INGEN	CTM 540070	9	Computer software

5. The applicant filed a counterstatement essentially denying the grounds of opposition.

6. Both parties apply for an award of costs.

7. Following the completion of the filing of evidence by both parties and in line with usual procedure, the case was reviewed and the parties informed that it was believed a decision could be made without recourse to a hearing. Both parties were, however, advised that they retained their right to a hearing. Neither party made any such request. I therefore make this decision on the basis of the papers before me.

Opponent's evidence

8. This consists of an affidavit dated 18 February 2003 by Sally Helen Sweetman. Ms Sweetman says she is the Company Secretary of the opponent company, that she has full access to the company's files and is authorised to make the declaration on its behalf.

9. Ms Sweetman states that the opponent is the proprietor of UK trade mark registration No. 1324294 and CTM registration No. 540070. She exhibits printouts of these registrations from the respective registry databases.

10. Ms Sweetman explains that the opponent is one of a number of wholly owned subsidiaries of Technology in Action Group Ltd. She gives details of the subsidiary companies and goes on to explain that all of the companies in the group are authorised to use the mark INGEN in respect of computer software and related goods and services.

11. Ms Sweetman exhibits a number of documents:

RRD 3 -a profile of the opponent company together with an example of business stationery showing the mark

RRD 4 –a copy of an extract from the installation manual for the INGEN system

RRD 5 –a copy of software CD labels as supplied to customers along with a pricelist for 1989 and 1991.

RRD 6 –example print outs showing the mark INGEN as it appears on screen to those who operate the system

RRD 7 –example quotations, invoices and extracts from contracts to confirm sales and royalty income

12. Ms Sweetman says that the opponent owns the copyright in all the software generated and licenses the other subsidiary companies to use this software and the INGEN trade mark with each of the companies under an obligation to pay royalties to the opponent. This agreement has, she says been in operation for the lifetime of the INGEN mark.

13. The INGEN mark has, says Ms Sweetman, been used in the UK and elsewhere by the opponent and its authorised users continuously since at least November 1987 in respect of computer software, printed matter and support services. In addition to the sale and installation of the INGEN system, consultancy, technical support customisation and adaptation of functionality are offered by one of the subsidiary companies.

14. Ms Sweetman gives the following details of turnover:

	£ Millions
	1.333
1998	1.647
	1.572
	1.343
	1.048

15. Although it is not clear from the evidence, I assume these details are intended to represent the turnover for the five year period 1997 to 2001. I make this assumption as Ms Sweetman states that sales of INGEN software and related services generates a turnover which averages some £1.4 million annually over the five year period 1997 to 2001. She says that “about half” of this is generated by sales and/or licensing of software. If I am correct in my assumption then some of the turnover provided is, of course, after the relevant date in these proceedings.

16. In terms of promotion of the mark INGEN, Ms Sweetman states that the opponent spends £3-400,000 annually by means of presentations to major retail corporations, liaison with international consultancies and marketing personnel.

17. Ms Sweetman states that the mark has been used throughout the UK in various company headquarters, other offices, warehouses, distributions depots, service stations and stores. She goes on to say that the opponent’s market is the retail industry, international as well as domestic and that over the last twenty years the INGEN system has been used by the following companies:

Waitrose	John Lewis Partnership
Budgens	Spar
W H Smith	Do It All
Iceland Frozen Foods	Bejam
Guinness	Proctor and Gamble
British Bakers	Tambrands
Wm Low	C&A
Woolworths	Superdrug
Morrisons	Tesco

Sears Sports & Leisure
John Menzies

Parisa (now known as Cellar 5)

18. The remainder of Ms Sweetman's affidavit is given to commentary which I will not summarise save to say that she contends that as the INGEN system includes electronic point of sales (EPOS) software, and the applicant's goods are specifically for point of sale terminals, the parties' markets are the same.

Applicant's evidence

19. This takes the form of a witness statement of William Guy Robb and is dated 17 July 2003.

20. Mr Robb states he is the Director of Product Development of the applicant company, has full and free access to the company's records and is authorised to make the statement on its behalf.

21. Mr Robb says the applicant and its (unnamed) parent company are the proprietors of the trade mark INGENICO which has been used since 1980. He goes on to say that the applicant was incorporated as a private limited company, Ingenico UK, in 1989 and has traded using the Ingenico name continuously since that time. Between 1987 and 1989 he says, goods bearing the INGENICO mark were sold through distributors in the UK. No details of these distributors are given.

22. Mr Robb explains that in the UK, Ingenico is the dominant supplier of what he calls "Standalone EFTPOS terminals". Although it is not explained, I presume this acronym stands for electronic funds transfer point of sale terminals. He says it has a market share of around 45% based on over 200,000 installed units in a total market size of around 420,000. Mr Robb does not explain the source of these figures nor does he provide any evidence to support his claim.

23. Mr Robb says that Ingenico UK was formed from Ingenico group in 1987. Ingenico Group was formed in 1980. He goes on to say that Ingenico Group is the world's largest payment systems provider with global revenues in 2002 (after the relevant date) of some Euro 450m. No documentation is provided to support this claim. The mark INGENICO is, he says, used throughout the world and is synonymous with secure transactions and payment terminals.

24. Mr Robb gives details of turnover as follows:

Year	Amount
1998	£13m
1999	£17m
2000	£24m

25. Mr Robb also gives details of turnover for later years however, as it is all after the relevant date, I do not reproduce those figures here. No explanation of how much of the 2000 figure relates to the period before the relevant date is given.

26. Mr Robb says “we spend” around £0.5m annually advertising the mark INGENICO through attendance at trade shows, direct mail campaigns and other events. He does not say whether this expenditure is made by the applicant alone or with others nor whether this budget relates to just the UK.

27. Attached to Mr Robb’s witness statement is one exhibit. This takes the form of the 1999 Annual Report, an English language document published in France and relating to the Ingenico Group of companies. Also exhibited are a number of promotional leaflets showing various Ingenico products.

28. Mr Robb says that the applicant’s goods are hardware, software and services to ensure the security of card transactions and electronic payments. The primary customers are said to be the transaction acquiring banks but products bearing the INGENICO mark are said to have been supplied to Safeway, Homebase, Morrisons, Sainsbury’s and Pizza Hut, amongst others. Mr Robb says that although the applicant and opponent may sometimes sell to the same organisations, “we believe there is no possibility of confusion in those customers’ minds, primarily because we are in the business of *payment* systems and (the opponent) are in the business of *store* systems”.

29. The rest of Mr Robb’s witness statement is given to commentary which again I will not summarise here but will refer to as necessary in this decision.

DECISION

Section 5(2)(b)

30. The opponent’s first ground of opposition is based on Section 5(2)(b) of the Act which states:

- “5.- (1)
- (2) A trade mark shall not be registered if because-
- (a)
- (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.
- (3)
- (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

31. The term “earlier trade mark” is defined in section 6 of the Act as follows:

“6.- (1) In this Act an “earlier trade mark” means-

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

32. Both of the registrations on which the applicant relies are earlier trade marks within the definition of section 6 of the Act.

33. In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *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:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors: *Sabel BV v Puma AG*, paragraph 22;
- (b) 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* paragraph 27;
- (c) 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;
- (d) 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;
- (e) 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 v Metro-Goldwyn-Mayer Inc*, paragraph 17;

- (f) 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;
- (g) 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;
- (h) 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;
- (i) 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.

34. For ease of reference I set out the respective marks below:

Applicant's mark
INGENICO

Opponent's mark
INGEN

35. It is self evident that the applicant's mark begins with the same five letters, in the same order, that make up the whole of the opponent's mark. Visually, the applicant's mark is slightly longer due to the presence of the additional letters ICO. The letters CO are well known as an abbreviation for the word company, an abbreviation which is in common use and somewhat lost at the end of the mark. The presence of the letters INGEN is strong and not lost within the mark.

36. Aurally, similar considerations apply. The applicant's mark is made up of 8 letters, the opponent's, five. Whilst the beginning of the applicant's mark is identical to the opponent's mark, the ending is different. It is, however, well established that the beginnings of words are more important than the endings *Tripcastroid* 42 RPC 264.

37. There is nothing to suggest that either mark is anything other than an invented word or conveys any particular idea. I therefore do not consider that conceptual similarity has much part to play in the consideration to be made.

38. It is, of course, possible to overanalyse marks and in doing so shift away from the real test which is how marks would be perceived by customers in the normal course of trade. I also have to take into account that the public rarely compare trade marks side by side.

39. The opponent has used its mark since at least 1987. This has generated turnover said to average £1.4m in the four years immediately prior to the relevant date. I am given no indication of how big the market is for computer software and related support services but given the reliance the modern world places on computers I think

it fair to say it is likely to be an extremely large one. On the information before me I cannot say that the opponent's mark has any enhanced distinctiveness because of the use made of it but, as an invented word, it is in any event at the upper end of the spectrum of distinctiveness in respect of the goods covered by it.

40. Taking into account all these factors and comparing the two marks in their entirety, I consider that they are similar.

41. I therefore go on to consider the position in respect of the goods and services. The opponent's registrations cover goods in class 9 only whereas the application in suit covers goods and services in classes 9, 16, 37 and 42. Taking the Class 9 specification first, the opponent's marks are registered in respect of computer software and computer programs. The application in suit also includes the terms computer software and computer programs. The applicant referred in its evidence to the different nature of the goods supplied by each party. Mr Robb says the applicant's business is in relation to payment systems whereas the opponent's is in relation to store systems. For its part, the opponent points out that both parties' goods include use in relation to EPOS equipment.

42. Whatever use may have been made of the respective marks there is nothing in the specification of goods in class 9 of either party which restricts the goods in any way. I have to consider notional and fair use. As both specifications include computer software and computer programs, I find that identical goods are involved.

43. In respect of the applicant's goods and services in classes 16, 37 and 42, I take the view that as they have been placed in different classes to the goods covered by the opponent's marks, they cannot be strictly identical to those goods. I therefore go on to consider whether the goods and services are similar.

44. The specification of goods applied for in class 16 as set out earlier in this decision show that the goods either relate to computer software and computer programs, are for the recording of computer programs or are software in printed form. I consider that these are closely similar goods to those covered by the opponent's registrations.

45. As for the services in class 37, in determining whether these are similar all relevant factors have to be considered. This includes a consideration of the nature of the goods or services, their end users, their method of use and whether they are in competition with each other (*Canon*). The goods covered by the opponent's registrations are software. The applicant's services are the repair and maintenance of computer hardware. Whilst software controls the functioning of hardware, the form, function and purpose of the two are different. Neither is software directly in competition with the repair and maintenance of hardware. This is a further step removed from the hardware itself. Taking all factors into account I do not consider the applicant's services to be similar to the goods covered by the opponent's registrations.

46. In respect of the application in class 42, I consider maintenance and repair of computer software to be closely similar to the goods covered by the opponent's registrations. The repair and maintenance of software is likely to involve a degree of writing (or re-writing) of computer software and programmes.

47. The opponent says its market is the retail industry. The applicant says its primary customer is the transaction acquiring banks though it has supplied to retailers. Whatever sales may have been made by the parties, I have to take into account that the respective specifications of goods and services are not limited in any way. This means that as things stand, the average user of the goods and services could be businesses or could be the computer using public at large. The goods and services are relatively technical and it seems to me that any prospective customer is unlikely to purchase them without first going through a relatively reasoned and educated decision making process.

48. On a global appreciation, notwithstanding that the average customer of these goods and services is likely to be relatively discerning, and taking into account all the relevant factors including normal and fair use, I find that there is a likelihood of confusion in relation to the application in classes 9, 16 and 42. This likelihood of confusion arises not just from direct confusion through imperfect recollection of one or other of the marks but also from association in the sense of the goods and services being thought to come from the same stable.

49. The opposition under Section 5(2)(b) of the Act therefore succeeds insofar as there is similarity of goods or services. This means the opposition succeeds in relation to the application in classes 9, 16 and 42 but fails in relation to the application in class 37.

Section 5(4)(a)

50. This section of the Act reads:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade.”

51. Mr Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] RPC 455 set out a summary of the elements of an action for passing off. The necessary elements are said to be as follows:

- (a) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (b) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (c) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation

52. I also take into account the comments of Pumphrey J in the case of *South Cone Inc v Jack Bessant (the Reef case)* in which he said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent.”

He went on to say:

“Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

53. In my consideration of the opposition under Section 5(2), I highlighted the weakness of the opponent’s claim to a reputation. Their claim under S5(4)(a) would be in respect of the goodwill arising from the business in computer software and support services for their own software. Even accepting the evidence establishes the necessary goodwill in respect of these goods and services, I do not consider that it would offer the opponent any greater success than it has already achieved under Section 5(2)(b) where normal and fair use on software was assumed. I do not therefore propose to give further consideration to this ground.

Summary

54. In my findings in respect of the opposition brought under Section 5(2) I indicated that I do not consider all of the goods and services covered by the application in suit to be either the same or similar. Consequently, where I have found them to be dissimilar they are not open to objection. This being so, if the applicant files a Form TM21 requesting deletion of classes 9, 16 and 42 the application will be free to proceed to registration in respect of the specification in class 37. The form seeking such an amendment should be filed within one month of the end of the period allowed for appeal, or within one month from the final determination of the case. If no such Form TM21 is filed, the application will be refused in its entirety.

Costs

55. The opposition has been successful in three of the four classes and the opponent is entitled to a contribution towards its costs. The award I make takes this into account as well as the fact that a decision was reached without a hearing taking place. I therefore order the applicant to pay the opponent the sum of £1000. 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 14th day of May 2004

ANN CORBETT
For the Registrar
The Comptroller General