

O-261-15

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3043582
BY CREE GMBH TO REGISTER
THE TRADE MARK:**

CREE

IN CLASSES 19, 35, 37 & 42

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 402635 BY CREE, INC**

BACKGROUND

1. On 6 November 2013, cree GmbH (“the applicant”) applied to the Office for Harmonisation in the Internal Market (Trade Marks & Designs) (“OHIM”) for registration of the trade mark **CREE** for a range of goods and services in classes 19, 35, 37 and 42; the application was accorded CTM no. 012286481. The application was subsequently converted into a United Kingdom application and accorded no. 3043582. This application was then examined, accepted and subsequently published for opposition purposes on 6 June 2014.

2. The application is opposed by Cree, Inc (“the opponent”). The opposition, which is based upon section 5(1) of the Trade Marks Act 1994 (“the Act”), is only directed against the services in class 42 of the application, namely:

Scientific and technological services.

The opponent relies upon the services shown below in Community Trade Mark (“CTM”) registration no. 9564477 for the trade mark: **CREE**; applied for on 1 December 2010 and for which the registration procedure was completed on 26 July 2011.

Scientific and technological services.

3. The applicant filed a counterstatement in which it states:

“2. [The opponent’s CTM] was filed on 01/12/2010. The registration date is 26/7/2011. The company of the applicant was founded on 18/10/2010. Since 18th October 2010 the applicant did actively research and offer scientific and technological services. Therefore, cree GmbH is the holder of the earlier IP-right.

3. The opponent declares to be a market-leading innovator of lighting products, LED components, and semiconductor products for power and radio frequency (RP) applications. Cree GmbH is inter alia the inventor of a hybrid timber construction system for large buildings which guarantees minimised use of resources and energy over the full lifecycle (LCT) system. Therefore, the opponent cannot protect scientific and technological services and research and design relation thereto concerning the building industry and has to limit the existing trade mark.”

4. Attached to the applicant’s counterstatement are three documents. The first, which is in German, is said to be a copy of an excerpt of the “commercial register of Austria” in support of the statement made in the quotation in paragraph 2 above. The other two documents are extracts downloaded on 10 October 2014 from the parties’ websites i.e. www.cree.com and www.creebyrhomburg.com, in support of the statements made in the quotation in paragraph 3 above.

5. Although neither party filed evidence, both filed written submissions during the course of the evidence rounds. Whilst neither party asked to be heard, the opponent filed written submissions in lieu of attendance at a hearing. I will bear all of these submissions in mind and refer to them, as necessary, below.

DECISION

6. The opposition is based upon section 5(1) of the Act. This reads as follows:

“5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.”

An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

7. In these proceedings, the opponent is relying upon the registration shown in paragraph 2 above which qualifies as an earlier trade mark under the above provisions. As this earlier trade mark had not been registered for five years or more before the publication date of the application, it is not, despite the applicant’s request/comments in its counterstatement, subject to the proof of use provisions contained in section 6A of the Act. The opponent is entitled to rely upon all of the services its claims.

Section 5(1) – case law

8. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union (“CJEU”) held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

Comparison of trade marks/services

9. As the competing trade marks consist of the word CREE presented in upper case, they are literally identical. As to the competing services, as the opponent points out in its submissions, as its earlier trade mark is not subject to proof of use, it matters not that the parties may actually be operating in different commercial fields. The comparison of the competing services is, in those circumstances, a notional one based upon the wording as it appears in the parties' specifications. As both parties' services are expressed in identical terms i.e. "scientific and technological services", they too are identical and the cumulative provisions of section 5(1) of the Act are satisfied.

Why should the opposition not succeed?

10. Having reached the above conclusions, that would normally would be the end of the matter and the opposition would succeed accordingly. However, in view of the comments contained in the applicant's counterstatement and submissions, in relation to the latter of which the opponent responded in its submissions filed in lieu of a hearing, I need to comment further. In response to comments contained in the counterstatement, in its submissions the opponent commented upon, inter alia, the guidance provided in Tribunal Practice Notice ("TPN") 4 of 2009, the relevant part of which states:

"The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker's mark

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker's mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker's mark." (my emphasis)

11. In its submissions, the applicant states:

"2. The Applicant has already shown that its company had been originally founded on the day of the authorization of the articles of association by the shareholders on 18 October 2010. This fact has also been acknowledged by the Opponent. Contrary to the opponent's claims there has been no finding to the

contrary regarding the foundation of the Applicant's company in the proceedings before the Austrian Patent and Trademark Office.

3. According to Austrian company law, which according to several decisions of the ECJ (e.g., *Centros Ltd v Erhvervs-og Selskabsstyrelsen*, Case No. C 212/97) is the only relevant law in judging the legal status of an Austrian company, a limited liability company can immediately become active as a legal entity *sui generis* and, in such capacity, can also act as the lawful holder of rights and obligations. Such rights and obligations are then transferred by operation of law to the registered company after its registration in the commercial register. Therefore, the Applicant has been the holder of the earlier IP right regarding the term "CREE" since October 2010 and, thus, well before the Opponent, whose CTM-trademark application has been filed in December 2010.

4. Contrary to the Opponent's claim, the fact that the Applicant is the holder of prior IP-rights is, of course, relevant in the IPO's examination of the Applicant's trademark registration. The applicant assumes that the Opponent has, therefore, in its submission tried to negate the argument that the Applicant is the holder of prior IP-rights.

5. The Opponents argument regarding claims to prior IP-rights and the provisions in Tribunal Practice Notice 4/2009 as cited by the Opponent are not applicable in the present case since they refer to marks and trademarks. However, the Applicant's claim to prior IP-rights does not concern a mark or a trademark.

6. Insofar as the Opponent already had prior knowledge regarding the Applicant's company, the Applicant refers to the following provisions of the Trade Marks Act 1994:

Section 47 (4): In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

Section 47 (5): Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only."

12. In its submissions, the opponent notes that in an official letter dated 25 February 2015, the Tribunal commented upon paragraph 6 above in the following terms:

"It appears that at paragraph 6 of your submissions you challenge the validity of the opponent's earlier right. The validity of the opponent's earlier right is not at issue in these proceedings and your comments will be disregarded."

13. A review of the trade marks register at the time of writing this decision confirms that no action has been taken by the applicant (or anyone else for that matter) to invalidate

the registration upon which the opponent relies in these proceedings. In its submissions, the opponent states:

“7. All of the applicant’s claims made in paragraph 6 are irrelevant to its defence. A debate as to whether or not the applicant’s company was incorporated or commenced trading in Austria prior to the opponent’s registration has no place in UK IPO opposition proceedings as it is outside the jurisdiction of the UK...”

14. The applicant’s position is that it has been the owner of the “earlier IP right regarding the term “CREE” since October 2010 and, thus, well before the Opponent, whose CTM-trademark application has been filed in December 2010.” It goes on to state that the opponent’s reference to TPN 4/2009 is “not applicable in the present case since they refer to marks and trademarks”, adding that “the Applicant’s claim to prior IP-rights does not concern a mark or a trademark.” Making the best I can of the applicant’s submissions, it appears to me to be making a claim to an “IP right” in relation to the “term CREE” in, I assume Austria, which predates the filing date of the opponent’s CTM registration. Although it distinguishes this “IP right” from use of a trade mark, in the context the applicant describes and in view of the contents of document C3 to its counterstatement (obtained from its own website), this use is clearly intended by it to indicate trade origin. As the TPN mentioned above makes clear:

“...defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker’s mark, or having used the trade mark before the attacker used or registered its mark are wrong in law.” (my emphasis).

15. The TPN goes on to explain that if an applicant in opposition proceedings has an earlier right which:

“could be used to invalidate the trade mark relied upon by the attacker, and the applicant for registration wishes to invoke that earlier right, the proper course is to apply to invalidate the attacker’s mark.”

16. In view of the guidance in the TPN, and as the opponent’s earlier trade mark is not subject to a cancellation request, the applicant’s position is misconceived and I dismiss it accordingly.

Conclusion

17. The opposition based upon section 5(1) in relation to the services in class 42 of the application succeeds and, subject to any successful appeal, the application will be refused in relation to those services. The application may, however, proceed to registration in respect of the unopposed services in classes 19, 35 and 37.

Costs

18. As the opponent has been successful it is entitled to a contribution towards its costs. In its submissions the opponent states:

“16...As regards an award of costs, the opponent requests the IPO considers an award off the scale owing to the applicant’s unreasonable behaviour and irrelevant claims put forward in a dispute involving clear double identity. Instead it has decided to put the opponent to considerable time and expense in pursuing an opposition in which the applicant’s position is unarguable.”

19. Whilst I have concluded that the basis of the applicant’s defence is misconceived, there is nothing to suggest that (despite the conclusion reached in proceedings between the parties in Austria), the applicant had anything other than a genuine belief in its prospects of success. That said, as I agree that it was necessary for the opponent to deal with the applicant’s position in both of its written submissions, it is, in my view, entitled to a small uplift in the amount of costs that I would have otherwise awarded to it in respect of its submissions. Awards of costs are governed by Annex A of Tribunal Practice Notice 4 of 2007. Using that TPN as a guide and bearing my comments above in mind, I award costs to the opponent on the following basis

Preparing a statement and considering the other side’s statement:	£200
Written submissions:	£400
Official fee:	£100
Total:	£700

20. I order cree GmbH to pay to Cree, Inc the sum of **£700**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of June 2015

C J BOWEN
For the Registrar
The Comptroller-General