

**O/538/22**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3468734  
IN THE NAME OF THE SEABERG COMPANY, INC. FOR THE TRADE MARK**

**SAM IO**

**IN CLASS 10**

**AND**

**THE OPPOSITION THERETO UNDER NUMBER 420918  
BY M G ELECTRIC (COLCHESTER) LIMITED**

## Background and pleadings

1. On 21 February 2020, claiming a US priority date of 19 February 2020, The Seaberg Company, Inc. (“the applicant”) filed an application for the trade mark SAM IO (number 3468734) in Class 10 for *Medical device, namely, a manually-operated intraosseous access system consisting of a manually-operated intraosseous access driver, needles, needle adaptor and stabilizer, for administering blood transfusions, medicines and/or fluids through the bone marrow.*

2. The application was published on 24 April 2020 and opposed by Aerosol Medical Limited on 30 July 2020 under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opposition is based upon a single earlier trade mark registration for its section 5(2)(b) and 5(3) grounds, as follows:

1412271

SAM

Filing date: 26 January 1990; date of entry in register: 14 January 1994

*Class 10: Surgical and medical apparatus, all for use in patient treatment and therapy; parts and fittings for all the aforesaid goods; all included in Class 10.*

3. Following an assignment, the new owner of the earlier mark and opponent of the contested application is M G Electric (Colchester) Limited (“the opponent”).<sup>1</sup>

4. Under section 5(2)(b) of the Act, the opponent claims that the parties’ goods are identical or similar and the marks are highly similar, leading to a likelihood of confusion. The opponent claims that IO is a descriptive element, being the medical abbreviation for “Intraosseous Infusion”. The opponent claims that the earlier mark benefits from an enhanced level of distinctive character.

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<sup>1</sup> Consent to the substitution of the new owner as the opponent was provided in the opponent’s written submissions in lieu of a hearing, dated 11 April 2022. The earlier mark was assigned, along with the goodwill relied upon for the passing off ground.

5. Under section 5(3) of the Act, the opponent claims a reputation in its mark for the registered goods such that the relevant public will believe the applicant's mark is one of the opponent's marks or that of an undertaking linked to the opponent. The opponent also claims that use of the applicant's mark will erode the distinctiveness of the earlier mark, damage its reputation if used in relation to goods of poor quality, and give an unfair advantage to the applicant by virtue of the reputation of the earlier mark.

6. The opponent's section 5(4)(a) ground is based upon its use of the sign SAM in relation to *medical devices; medical apparatus and instruments; surgical and medical apparatus, all for use in patient treatment and therapy; suction devices and apparatus; medical suction equipment and devices; pumps; parts, fittings and accessories for all the aforesaid goods*. The opponent states that the sign SAM has been used throughout the UK since at least January 1990. The opponent claims that its goodwill in the business distinguished by SAM entitles it to prevent the use of the application under the law of passing off.

7. The applicant filed a defence and counterstatement, denying the grounds of opposition. As the earlier mark had been registered for five years or more at the priority date of the contested application, the opponent made a statement that it has used its earlier mark in relation to all the goods relied upon, set out above. The applicant puts the opponent to proof of the same, under section 6A of the Act.

8. The opponent is professionally represented by Marks & Clerk LLP. The applicant is represented by Wilson Gunn. Only the opponent filed evidence, the applicant neither filing evidence or written submissions. Neither party requested a hearing, but the opponent filed written submissions in lieu of a hearing. I make this decision after a careful reading of all the papers, referring to them as necessary.

## Proof of Use

9. I will begin by assessing whether, and to what extent, the evidence supports the opponent's statement that it has made genuine use of its mark in relation to the goods for which it is registered. The relevant period for this purpose is the five years ending on the priority date: 20 February 2015 to 19 February 2020.

10. Section 6A of the Act states:

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

11. The onus is on the opponent, as the proprietor of the earlier mark, to show genuine use because Section 100 of the Act states:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

12. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch), Arnold J (as he then was) summarised the law relating to genuine use, as follows:<sup>2</sup>

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or

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<sup>2</sup> “CJEU” is the abbreviation for the Court of Justice of the European Union. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or

just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

13. The opponent has filed evidence from Graham Martin who has been the opponent’s managing director since 1995.<sup>3</sup> Not all of the exhibits are dated, but I remind myself that an assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each piece of evidence shows use by itself.<sup>4</sup> For example, an undated catalogue showing products and their codes could be matched to items listed in dated invoices.

14. Mr Martin states that the opponent has manufactured medical equipment under the SAM trade mark since 1954. He goes on to state that “in particular”, the opponent specialises in medical suction equipment. I note the following, as described by Mr Martin and shown in Exhibit 2 (undated datasheets):

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<sup>3</sup> Witness statement dated 8 November 2021.

<sup>4</sup> *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, General Court of the European Union, Case T-415/09.



- SAM 12 is a general suction unit, for hospital general wards, minor theatre work, A&E, intensive care and in dentistry, incorporating a pump;
- SAM 14 is a high flow vacuum unit for minor operating theatre suction;
- SAM 15/16 and SAM 36 are for inter-uterine suction;
- SAM 17 is for thoracic suction, for evacuating air from the lungs, and also for re-inflation of lungs;
- SAM 18 is for paediatric suction;
- SAM Hospy and SAM 420LX are suction units for outpatient and community use;
- SAM 35 is for major operating theatre suction and can be used during lipo-suction procedures;
- SAM e.p.s. is for portable suction use, e.g. by the emergency services, working as a pump to provide suction;
- SAM MS is a micro-suction unit used by audiologists;
- SAM Manu-Vac and SAM Tvac are foot powered or hand powered for tracheal suction and emergency aspiration;
- SAM 50, SAM 51, SAM 52 and SAM 53 are pipeline regulators in direct suction plugged into a central port;
- SAM 54 is a suction regulator mounted to a trolley;
- SAM Oxyflow and SAM Airflow control the flow of medical oxygen.

15. Photographs of the goods are shown in the datasheets; for example, SAM 12 is shown in page 28 of Exhibit 2 and SAM e.p.s. on page 47:



16. The datasheets show that the suction is provided by pumps. Exhibit 3 comprises maintenance manuals for some of the models listed above dating from September and November 2019. Spare parts are shown in Exhibit 6, which are prints from the opponent's website dating from around the date Mr Martin made his witness statement. Further website evidence is contained within Exhibit 7, although this is dated because it has been obtained from the internet archive, the Wayback machine. The four prints are dated from May 2016, May 2017, August 2018 and October 2020 (the last is after the relevant date). The prints all relate to medical suction devices.

17. Exhibit 9a is subject to a confidentiality order and the details I give here are redacted in the public version of this decision.

*Redacted.*

18. Exhibit 9b comprises sample invoices from between 2016 and 2020 for sales in the UK. Customers include various NHS trusts and hospitals, universities, research centres and healthcare equipment suppliers.<sup>5</sup> The invoices show the specific models; such as SAM 18 on 17 February 2016; SAM 12 on 2 August 2017; SAM 35 on 31 January 2018; and, SAM 14 on 23 September 2019.

19. The mark appears on and in relation to the goods sold by the opponent in its registered form. In particular, in cross-referencing the data sheets and the invoices described above, I am satisfied that the evidence shows the mark has been used in relation to goods covered by the registration, in the UK, during the relevant period. The sales figures are not huge, but these are specialist medical goods. Whilst not on a grand scale, the level of sales has been consistent over the relevant period.<sup>6</sup> The

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<sup>5</sup> The names of customers have been redacted from the invoices, but are present in confidential Exhibit 9a.

<sup>6</sup> There is no explanation for the large increase in sales in 2020, which I assume is as a result of the Covid-19 pandemic. 2020 is, in any case, largely after the relevant date.

use is warranted in the economic sector concerned to maintain or create a share in the market for goods covered by the earlier mark. Taking the evidence in the round, I conclude that the opponent has made genuine use of its mark.

20. The next task is to determine in relation to which goods the mark has been used and, if that use is not on everything within the broad term *surgical and medical apparatus, all for use in patient treatment and therapy; parts and fittings for all the aforesaid goods*, or a reasonable range of goods within the broad term, to decide upon a reduced, fair specification represented by the use. In so doing, I am guided by *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors*, in which Mr Justice Carr summed up the law relating to partial revocation as follows:<sup>7</sup>

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because

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<sup>7</sup> [2016] EWHC 3103 (Ch).

he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46.”

21. Applying the above guidance, the current registered specification is very wide, encompassing every type of surgical and medical equipment. The opponent’s goods are for suction and assisting respiration which are subcategories of goods within the general term *surgical and medical apparatus, all for use in patient treatment and therapy* and which are capable of being viewed independently. The opponent’s primary submission is that it should be able to rely upon the full registered specification. It puts forward, as an alternative submission, that a fair specification is:

“Medical and surgical suction and vacuum apparatus and equipment, medical and surgical pumps and oxygen apparatus; parts and fittings for all the aforesaid goods all included in class 10.”

22. I consider that the registered specification is too wide given the use made of the mark. Mindful of the requirement not to be pernickety and unduly restrict the specification to the exact goods sold, I am content to proceed on the basis of the fall back submission. The opponent may rely upon these goods for its opposition under sections 5(2)(b) and 5(3) of the Act (the latter section also dependent upon a qualifying reputation, which I assess later in this decision).

## Section 5(2)(b) of the Act

23. Section 5(2)(b) states:

“5. (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.”

24. Section 5A states:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

25. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are gleaned from the decisions of the CJEU in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

## The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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 of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### Comparison of goods

26. The parties' competing goods are shown in the table below:

<b>The opponent's goods</b>	<b>The applicant's goods</b>
<i>Class 10: Medical and surgical suction and vacuum apparatus and equipment, medical and surgical pumps and oxygen apparatus; parts and fittings for all the aforesaid goods all included in class 10.</i>	<i>Class 10: Medical device, namely, a manually-operated intraosseous access system consisting of a manually-operated intraosseous access driver, needles, needle adaptor and stabilizer, for administering blood transfusions, medicines and/or fluids through the bone marrow.</i>

27. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended

purpose and their method of use and whether they are in competition with each other or are complementary.”

28. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

29. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

30. There has been no evidence filed by the applicant regarding the way in which its goods are used or reach the market. It has not filed any submissions to counter those of the opponent which are, in summary, that:

- all of the parties’ goods are likely to have the same origin; that is, manufactured by medical technology companies, sharing channels of trade and the same consumers (medical professionals);
- there is an overlap between the end user of the parties’ goods. Mr Martin gives the example of a surgeon using the applicant’s drilling equipment whilst



simultaneously using the opponent's goods as part of the same medical procedure, to help clear or supply fluid or gas;

- the EUIPO, in opposition no. B 2442666 *ASKINA / AK/SKIN* held that “injectors for medical purposes; syringes for injections” were similar to goods such as vacuum pumps with control apparatus for vacuum wound treatment, and parts and accessories therefor, on the grounds that they share origin, trade channels and consumers;
- the EUIPO Board of Appeal, in R 1061/2018-5 *STOCKERT* found a likelihood of confusion between heart and lung machines on the one hand and goods such as blood testing apparatus, electrodes for medical use and orthopedic articles on the grounds that they had a similar purpose and nature, shared producers, trade channels and consumers;
- the General Court (“GC”) in Case T-165/17 *EMCURE* held that “medical services; dentistry; healthcare services” on the one hand and “pharmaceutical products” on the other were similar on the basis that delivery of the services may be linked to or contingent on the provision of the products.

31. I have read the decisions referred to by the opponent. They are of limited assistance, either because they do not concern the same specific goods as the present proceedings or because the findings are expressed concisely and it is not easy to extract guidance from them.

32. The parties' goods do not share the same purpose, although they are similar in nature to a certain degree, all being medical devices, with tubular components made of metal, plastic or similar materials. The opponent's goods are for suction and oxygen regulation, whilst the applicant's goods are invasive surgical goods for accessing the inside of bones. They are not in competition. They do share end users because they are both used by medical professionals during surgery.

33. The opponent submits that the parties' goods share distribution channels. I note that its evidence includes the following statement from Mr Martin:

“11. As well as being available to purchase directly from My Company, the SAM range of equipment is also distributed and advertised by a number of third party companies in the UK. Current and previous UK distributors and advertisers of My Company’s SAM equipment include:

- GBUK Healthcare
- HCE Health-Care Equipment
- Akribis Scientific Limited
- Photon Surgical Systems Limited
- Omnia Health
- Made in Great Britain Campaign Ltd
- Nebulisers Direct
- Medical Expo, part of the Virtual Expo Group
- GB Medical
- UniGreenScheme

Enclosed at Exhibit 8 are extracts showing My Company’s products featuring the SAM mark being promoted by these third party companies.”

34. The exhibits are undated. However, I note that Mr Martin refers to these companies as the opponent’s current “and previous” distributors. Although the pages which comprise Exhibit 8 are limited to the opponent’s goods, I infer from the names of at least some of them that they supply various types of surgical, medical and healthcare equipment; i.e. they do not supply only the type of goods in relation to which the opponent has used its mark. I find that the parties’ goods are obtained from the same distribution channels: medical equipment companies.

35. Some of the opponent’s arguments are centred upon the parties’ goods being complementary because they are both used during surgical procedures. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the GC stated that “complementary” means:

“82 ... there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that

customers may think that the responsibility for those goods lies with the same undertaking...”.

36. In *Kurt Hesse v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods.

37. *Boston* was summarised by Mrs Justice Joanna Smith in *Axogen Corporation v Aviv Scientific Limited*, a case which compared biological tissues, pharmaceuticals and medical devices against goods and services in the medical field falling in classes 9, 35, 41, 42 and 44:<sup>8</sup>

“35. In *Boston*, the General Court found that apparatus for placing a suture was "to some extent complementary" with hollow fiber oxygenators with detachable hard-shell reservoir. It held that:

i) Goods are complementary "if there is a close connection between them, in the sense that one is indispensable or important for the use of the other **in such a way** that customers may think that the responsibility for those goods lies with the same undertaking" (**emphasis added**) (at [82]);

ii) Whilst apparatus for placing a suture "cannot be considered to be indispensable or important for the use of hollow fiber oxygenators with detachable hard shell reservoir, nevertheless these goods "can be considered to be complementary" where "in the course of a very specific procedure, namely a surgical operation" both pieces of apparatus might be used" (paras [83] and [84]);

iii) In the circumstances, the goods were not similar solely because they were both used in the field of medicine, "but because they could be used

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<sup>8</sup> [2022] EWHC 95 (Ch).

in the same, very specific surgical operation, namely open-heart surgery" (para [85]).

iv) The Board of Appeal had therefore been right to find that the goods were similar because of "the close link between the products in question as regards their end users, the fact that they are to some extent complementary and the fact that they may be distributed via the same distribution channels..." (para [87])."

38. The judge went on to say that the specific focus in *Boston* was open-heart surgery (at paragraph 49), saying:

"38. As persuasive as Mr Baran's submissions were, in my judgment they are far too broad. The fact that goods and services may plausibly be used alongside each other in the medical context, or in an unspecified medical procedure, is not, to my mind, sufficient to establish the standard of complementarity and, given its very particular facts, I do not consider that *Boston* stands for such a broad principle. Indeed, the General Court in that case specifically rejected the submission that mere use in the field of medicine was, on its own, sufficient. Furthermore, contrary to Mr Baran's oral submissions, the General Court was not concerned with whether the average consumer may think that goods and services could be employed together in the general context of a medical procedure or treatment – such a test could give rise to a wide variety of (potentially) highly speculative possibilities in any given case. On the contrary, it was concerned with whether the average consumer may think that the responsibility for the goods and services lies with the same undertaking – to my mind a more restrictive proposition.

39. Such a situation will arise where the goods and services are indispensable or important to each other "in such a way" that the average consumer may think this, or where, as in *Boston*, the goods and services could be used together in a specific, identified, context. The point was put in this way in *Biofarma* at [20]:

"The reference point is whether the relevant public will perceive the goods or services concerned as having a common commercial origin (04/11/2003, T-85/02, Castillo EU:T:2003:288, § 38) and whether consumers consider it normal that the goods or services are marketed under the same trade mark, which normally implies that a large number of producers or providers are the same (11/07/2007, T-150/04, Tosca Blu, EU:T:2007:214, § 37)".

40. Returning to *Elliot*, I observe that Mr Alexander QC identified the purpose of the similarity test (of which complementarity may be just one element) as being "to determine similarity of the respective goods in the specific context of trade mark law". As he went on to say at [18] "It may well be the case that wine glasses are almost always used with wine, and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes."

41. On Mr Baran's argument, wine and glassware used in the field of hospitality would satisfy the test that the average consumer may think that they would be used together. However, it is clear that mere use in the same context, and for the same purpose (drinking wine), is not enough. There must be something more in that context from which the average consumer may deduce that the wine and the glasses may originate from the same commercial undertaking.

...

51. The particular considerations which arose on the facts of the three authorities on which Mr Baran relies do not apply to the much broader facts of the present case, which is concerned with comparisons between goods and services falling within different classes, whose nature, method of use and purpose the Hearing Officer found to differ. The possibility of an overlap in user (i.e. that all the goods may be used in a medical context by medical professionals and patients, as the Hearing Officer found "may" be the case in relation to Classes 35, 41, 42 and 44) does not, without more, establish complementarity. While the average consumer may think that pharmaceutical

goods of a similar nature and purpose sold in pharmacies and used in the context of the same medical therapy have a common commercial origin, it is difficult to see how the average consumer would arrive at the conclusion, without something more, that, say, (i) computer hardware or software for collecting, understanding, analysing and viewing data associated with the medical record of a patient, or (ii) conducting educational support programmes for patients or (iii) technology research in the field of medical instruments, has a common commercial origin with surgical implants comprised of biological tissues where there is (as the Hearing Officer found) no overlap of nature, method of use or purpose.”

39. Mr Daniel Alexander QC, sitting as the Appointed Person in *Sandra Amalia Mary Elliot v LRC Products Limited* (the *Elliot* judgment referred to by the judge) observed that the assessment of similarity, as per *Canon*, requires that all relevant factors relating to the goods should be taken into account, of which complementarity is but one (paragraph 17).<sup>9</sup> He said that the GC, in *Boston*, “was not attributing decisive importance to the question of whether the goods in that case were complementary in determining the overall question of whether they were similar.”

40. I note that in *Boston*, the GC stated that “apparatus for placing a suture and hollow fiber oxygenators with detachable hard-shell reservoir can be considered to be complementary where, in surgery which has required an incision and during which an oxygenator has been used, the surgeon uses apparatus for placing a suture. Thus, in the course of a single, very specific procedure, namely a surgical operation, two apparatus, namely an oxygenator and apparatus for placing a suture, might be used, one bearing the trade mark CAPIOX and the other the trade mark CAPIO.”<sup>10</sup>

41. The present applicant’s goods are used in a surgical operation requiring drilling and the insertion of apparatus into the patient’s bone. This is a very specific procedure during which oxygen will be supplied and, if it is necessary to remove secretions and blood from where the incision is made, suction devices will be used. The evidence

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<sup>9</sup> BL O/255/13.

<sup>10</sup> At the time *Boston* was issued, the GC was called the Court of First Instance.

shows that the opponent's goods are used in theatre during major surgery, inside a patient's body. As in *Boston*, the parties' goods could be used in the same, very specific surgical operation. I do not find the goods to be similar on this basis alone. They share the same end users, the same distribution channels and are similar in nature to a degree, although the method of use is different. The goods are complementary to a low degree because they are used in the same surgical procedure by the same end users who may think that the responsibility for those goods lies with the same undertaking. Overall, taking into account the same end users, the same distribution channels and the low level of complementarity, I find the parties' goods to be similar to a low to medium degree.

#### The average consumer and the purchasing process

42. As the caselaw cited above indicates, it is necessary to decide who the average consumer is for the goods at issue and how they purchase them. "Average consumer" in the context of trade mark law means the "typical consumer."<sup>11</sup> The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

43. The parties' goods are specialist medical and surgical goods for which the average consumer comprises medical professionals and surgeons. The level of attention to the purchasing process will be high because of the importance of the procedures and the therapeutic uses to which the goods will be put. The purchasing process is likely to be primarily visual, from medical catalogues and websites, although there is also likely to be an aural aspect to the purchase, such as discussions between users and medical company representatives.

#### Comparison of marks

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<sup>11</sup> *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch).

44. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

45. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

46. The marks to be compared are:

<b>The opponent's mark</b>	<b>The applicant's mark</b>
SAM	SAM IO

47. The overall impression of the opponent's mark rests in the single element of which it is comprised: SAM. The applicant's mark consists of two elements: SAM and IO. SAM is at the beginning of the mark and is the longer of the two elements. According to the opponent, the IO element is an abbreviation for the therapeutic use of the applicant's goods, for intraosseous infusion (intraosseous access is specified in the specification of the application). I say more about this below but for now I find that



SAM is the dominant element which has the most distinctive weight in the overall impression of the applicant's mark.

48. The parties' marks coincide in the element SAM. This is the element that will be read first in the applicant's mark and is the only element of the opponent's mark. The second element in the applicant's mark is shorter. The marks are visually similar to a medium to high degree.

49. The opponent's mark will be pronounced as it is written (as for the common forename), with a short A sound. SAM in the applicant's mark will be pronounced the same way. The second element, IO, will be pronounced as the separate letters, I (and) O. The applicant's mark has three syllables compared to the opponent's single syllable. The first syllable in the applicant's mark is identical to the only syllable in the opponent's mark. I find that the marks are aurally similar to a medium degree.

50. SAM is a common forename in the UK (short for Samuel and Samantha). Although it has been stated that the mere fact that marks are names does not provide a point of conceptual similarity, here the names are the same.<sup>12</sup> The opponent claims in the statement of grounds attached to its notice of opposition that the second element of the applicant's mark, IO, is a medical abbreviation for intraosseous infusion and is descriptive in relation to the applicant's goods. The applicant was silent about this in its counterstatement and has provided no documents since its counterstatement. Therefore, it has not denied the opponent's claim. The opponent, in its written submissions in lieu of a hearing, points to the trade marks EZ-IO and FLOW-IO on the register which have the word 'intraosseous' appearing in their specifications. Even if IO is not a recognised abbreviation for intraosseous, the users of the applicant's goods are likely to take it as such, or it will at least evoke the 'intra' 'osseous' nature of the applicant's goods. Taking all this into account, the marks are conceptually similar to a medium degree.

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<sup>12</sup> See for example, *Sandro Andy v CKL Holdings N.V.*, BL O/276/18, Ms Emma Himsworth QC, sitting as the Appointed Person.

### Distinctive character of the earlier mark

51. There is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it.<sup>13</sup> I will begin by considering the inherent distinctive character of the earlier mark.

52. SAM does not appear to be an acronym or an abbreviation in relation to the opponent's goods. Therefore, SAM does not describe or allude to the goods or to any characteristic of the goods. It is not an invented word because SAM is a common forename in the UK. I find that it has an average degree of inherent distinctive character.

53. The opponent claims that the use it has made of its mark entitles it to claim an enhanced level of distinctive character. Distinctive character is a measure of how strongly the earlier mark identifies the goods for which it is registered; determined, according to *Lloyd Schuhfabrik Meyer & Co.*, partly by assessing the proportion of the relevant public which, because of the mark, identify the goods as originating from a particular undertaking. At paragraph 23, of its judgment, the CJEU stated:

“In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).

54. The opponent's goods are specialist medical goods, costing several hundred pounds each, according to the exhibits. However, the quantities sold are not large.

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<sup>13</sup> *Sabel BV v Puma AG*, Case C-251/95.

There are no advertising figures. In this specialist field, without better evidence as to what proportion of the market share the opponent enjoys, it is difficult to make an assessment as to what proportion of the relevant public knows of the opponent's mark and whether the inherent capacity of SAM to distinguish the opponent's goods has been made stronger because of the use of it. There are many hospital wards and many hospital beds in wards; many operating theatres, ambulances, audiology departments, care homes, GP surgeries and many dentists in the UK. I note that the opponent's written submissions refer to GBUK Healthcare being an award winning company that currently supplies every NHS Trust in the UK; HCE Health-Care Equipment supplying over 12,000 GP surgeries, NHS organisations and other healthcare providers. None of this appears in the opponent's evidence. It is inappropriate and unfair to the applicant to introduce evidence in written submissions, especially when those submissions are filed after the evidence rounds have closed. There appears to be no reason why the detail could not have been included in Mr Martin's witness statement. This is not evidence and cannot be taken into account.

55. Exhibit 1b of Mr Martin's evidence comprises prints from the company history section of the opponent's website, where it states that in 1954 the opponent commenced production of the SAM range of medical equipment. It is clear from the history over the years that the opponent is divided into divisions which, apart from the medical division, manufacture other equipment that is not medical (such as print industry and rewinding equipment). The opponent achieved a Quality Assurance Certificate for the manufacture of medical suction equipment in 1998; ISO 9001 at an unspecified date; and, ISO 13485 medical accreditation in 2013.

56. Exhibit 4 comprises prints from a presentation, but it does not say when it was given or to whom. Mr Martin states that the opponent participates in trade shows, such as the EBME (Electrical and Biomedical Engineering) Expo and Medica. There is no explanation in the evidence about these events: how often they are held, where they are held, or the number of attendees. Again, I note that more information is provided in the opponent's written submissions in lieu of a hearing, although it does not shed much more light because the submissions simply say that the 'Expo' brings together healthcare professionals who are responsible for the management of medical equipment and that Medica is an international trade fair for medical technology,

electromedicine, health-IT, hospital, surgery and laboratory equipment. This is not evidence. Even if it was, I still do not know where or how often these events are held, or what was the level of attendance.

57. I can see that a photograph of the opponent's stand at 'Medica 2016' (which is the caption above the photograph) shows the opponent's name, SAM and a display of its goods, and another is captioned "EBME 2018", but there is nothing to show me where these events took place.<sup>14</sup> This is especially important given the submission that Medica is an international fair and that the next photographs in the exhibit are captioned 'Arab Health 2018', 'Arab Health 2019' and 'Arab Health 2020'. This appears to be an overseas event, given its title. Mr Martin states that the opponent attends this event as part of the UK Department for International Trade sponsored group run by the Association of British HealthTech Industries. There is no context. For example, I do not know how the opponent came to participate. It could have applied to participate, or it could have been chosen. I cannot tell whether its participation in an overseas health fair means that it was well-known to UK consumers for the opponent's goods, as opposed to consumers in the Middle East.

58. I note that page 289 of the evidence (in Exhibit 10) is a print from the opponent's Twitter site (with 458 followers). It is undated, but seems to date from 2020 because it says that the Medica 2020 exhibition is virtual: "So no trip to Dusseldorf for the Medical Industry this year." The Medica event also appears to be international, rather than a UK event. I do not know how many UK consumers for the opponent's goods attend Medica.

59. The third party news articles shown in Exhibit 11 include an extract from 'Manufacturing and Engineering Magazine'. Again, more detail about the magazine is given in the written submissions, which I will not take into account as the detail has not been filed as evidence. An article in the magazine called "Made in Britain M.G. Electric" is about the opponent and the various products it manufactures in its four divisions: medical suction, print, rewinding and pumps. The article says that the opponent is a member of Made in Britain. There is no dating on the images of the

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<sup>14</sup> Exhibit 10.

magazine. I note that the article refers to the opponent, “during the past year”, having to adapt its operations for minimising the spread of Covid-19. This puts the article at least after the relevant date of 19 February 2020, the pandemic having caused the UK to go into lockdown the following month. The other two articles in Exhibit 11 are local to Essex, where the opponent is based, including an article on a website called [weareumi.co.uk](http://weareumi.co.uk) from 2016 about the fifty most innovative businesses in Essex. Another undated article seems to be based on the same story, in [gazette-news.co.uk](http://gazette-news.co.uk). Mr Martin exhibits “an image of My Company’s branded van, which serve [sic] to promote the business and its SAM mark to a wider audience”. The way this is phrased suggests that there is a single van.

60. Mr Martin says that the opponent has been given a Bronze membership to the UK Government Digital Healthcare Pavilion, run by the Department for International Trade. There is no explanation as to what this is, whether a Bronze membership is an accolade or achievement, and what is necessary to be given Bronze membership. Mr Martin also states that the opponent is a member of “Made in Britain, an organisation within the British manufacturing community which aims to increase the profiles of British businesses and allows member businesses to use the Made in Britain certification mark to indicate the quality and high standards of their British-made products.” Exhibit 12 contains pages about the opponent on the [madeinbritain](http://madeinbritain.com) website. It says “*Joined Sep 2020*”. Membership does not appear to be an accolade or an award, but instead something akin to joining a trade association.

61. The evidence falls short of showing that the inherent capacity of SAM to distinguish the opponent’s goods from those of other undertakings has been made stronger because of the use made of it. There is not enough explanation about the parts of the evidence which might go to the reputation or level of knowledge in the market amongst average consumers for the opponent’s goods. There is a lack of dating, or dates fall after the relevant date, or the relevance of belonging to industry bodies is unexplained. I am unable to find that the opponent’s mark had an enhanced level of distinctive character, beyond its inherent level, at the relevant date.

## Likelihood of confusion

62. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. In this case, the parties' goods are similar to a low to medium degree.

63. The average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them which has been retained in the mind.<sup>15</sup> Where the attention level of the average consumer is relatively high, this might be enough in some cases to avoid a finding of a likelihood of confusion. That is not always the case, however. In *Apple Computer, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, the GC stated:<sup>16</sup>

“59 Accordingly, the fact that the relevant public is composed of persons whose level of attention may be considered high is not sufficient, given the fact that the signs at issue are almost identical and the similarity between the goods in question, to exclude the possibility that that public might believe that the goods and services concerned come from the same undertaking or, as the case may be, from economically-linked undertakings (GALZIN, paragraph 48 above, paragraph 80).”<sup>17</sup>

64. In *Boston*, the GC took into account the high level of attention paid to the purchasing process and that the goods lacked a high degree of similarity:

“101 In that respect, it must be pointed out that even though the goods at issue lack a high degree of similarity that is offset by the very high degree of similarity between the signs, particularly as the earlier trade mark is an invented word

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<sup>15</sup> *Lloyd Schuhfabrik Meyer*, at [26].

<sup>16</sup> Case T-328/05. See also *Swemac Innovation v EUIPO - SWEMAC Medical Appliances (SWEMAC)*, Case T-287/17 and *Asahi Intecc v EUIPO*, Case T-36/18.

<sup>17</sup> A “certain degree” of similarity between the goods was found.

that does not allude, directly or indirectly, to the goods concerned. Since the trade mark CAPIOX is a made-up word, it therefore has a very distinctive character as OHIM rightly observed. It follows that the Board of Appeal was right to find, at paragraph 31 of the contested decision that, in this case, the low degree of similarity between the goods at issue is offset by the high degree of similarity between the signs at issue.

102 Moreover, given that feature, even a public made up of specialists with a high degree of attention might, when confronted with the goods at issue, either not notice the difference resulting from the absence of the letter 'x' on goods bearing the trade mark applied for or think that the goods nevertheless originate from the same undertaking, which affixes a trade mark to some of its goods that is practically identical to the one it affixes to other of its goods. It is clear that the mere possibility mentioned above that the goods at issue could be used during the same, very specific surgical operation, namely open-heart surgery, shows that there is a genuine likelihood that a public, even one made up of professionals, could believe that the goods came from the same undertaking."

65. The parties' marks are visually similar to a medium to high degree, and aurally and conceptually similar to a medium degree. I find that there is a likelihood of confusion which is not mitigated by the high level of attention of the average consumer. That confusion will be direct because the average consumer's recollection will be centred on the visually identical dominant and distinctive component, SAM, in a predominantly visual purchase, with the other element, IO, imperfectly recalled or not recalled at all because of the reference to a characteristic of the applicant's goods (intraosseous). Even if IO is recalled, the parties' marks share the same dominant and highly distinctive element, SAM, which has at least an average degree of inherent distinctive character. This element is visually, aurally and conceptually identical in both marks, and is independently distinctive of the IO element. There will be a presumption that these are marks from the same or an economically linked undertaking: that they are variant marks, an alternative version or a brand extension, whether or not the IO is seen as descriptive. Where it is seen as descriptive and noticed, the assumption will be that it is a variant mark which identifies the purpose of

the goods. Such confusion is indirect rather than one mark being mistaken for the other, but is still a likelihood of confusion.<sup>18</sup>

### **Section 5(2)(b) outcome**

66. The section 5(2)(b) ground succeeds.

### **Section 5(3) of the Act**

67. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

68. The relevant case law in relation to section 5(3) can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows:

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<sup>18</sup> Mr Iain Purvis QC, sitting as the Appointed Person, in *Back Beat Inc v L.A. Sugar (UK) Limited*, BL O/375/10.



a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

69. For a successful claim under section 5(3), cumulative conditions must be satisfied by the opponent: similarity between the marks; a qualifying reputation in the earlier mark; a link between the marks (the earlier mark will be brought to mind on seeing the later mark); and, one (or more) of the claimed types of damage (unfair advantage and/or detriment to distinctive character and/or detriment to the reputation of the earlier mark). It is not necessary that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the relevant public will make a link between the marks.

70. The first condition of similarity between the marks is satisfied, as found earlier in this decision.

71. The next condition is reputation. Reliance upon this ground requires evidence of a reputation amongst a significant part of the relevant public, as stated in *General Motors*:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

72. In *Spirit Energy Limited v Spirit Solar Limited*, Professor Phillip Johnson, sitting as the Appointed Person, held that the opponent had not established a qualifying reputation for section 5(3) purposes. The opponent traded in solar energy equipment and installations and had used its mark in relation to such goods/services for seven years prior to the relevant date in the proceedings. During the five years prior to the relevant date, it had installed solar energy generation equipment in over 1000 domestic homes and made over 700 installations for commercial customers. These sales had generated nearly £13m in income. However, there was limited evidence of advertising and promotion, and the amount spent promoting the mark had fallen in the years leading up to the relevant date. Additionally, the mark had only been used in South East England and the Midlands. Taking all the relevant factors into account,

the Appointed Person therefore decided that such use of the mark was not sufficient to establish a reputation for the purposes of s.5(3).<sup>19</sup>

73. The evidence in the present case is lacking in the kind of detail which would enable me to gauge the extent of any reputation, for the reasons given earlier in this decision. The detail that is given, such as the sales figures, have little or no context because there is no indication of the size of the market. There are no figures about how much has been spent on promoting the earlier mark or evidence from which it can be surmised how many of the relevant public would have come to know of it, and how. The purpose of section 5(3) of the Act is to grant additional protection to marks with a reputation, as opposed to every mark that is in use. The opponent has not met the reputation requirement for the goods relied upon or for the reduced list of goods for which I have found genuine use.

74. I will consider the position if I am wrong about that, and that there is sufficient reputation. Such a finding is not incompatible with my earlier conclusion that the evidence fails to show that the earlier mark's distinctiveness has been materially enhanced through use, beyond its average inherent level. This is because reputation for section 5(3) constitutes a knowledge threshold, whereas distinctive character is a measure of how strongly the mark identifies the opponent's goods, not simply that there is knowledge of it.<sup>20</sup>

75. If the opponent's marks had a sufficient reputation at the relevant date, the ground only succeeds on the basis already found under section 5(2)(b). That is to say, there will be a link arising from a likelihood of confusion, from which the applicant will derive an unfair advantage because it will gain sales as a result of confusion with the earlier mark. Further, even if there is a link but no confusion, damage is not an automatic sequitur. The evidence does not demonstrate that the earlier mark has an image, qualities or values which would be transferred to the applicant's goods and from which the applicant would benefit unfairly. The level of reputation is too modest for the applicant to benefit from any instant familiarity with the opponent's mark which could

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<sup>19</sup> BL O/034/20. See also *GNAT and Company Ltd & Anor v West Lake East Ltd & Anor* [2022] EWHC 319.

<sup>20</sup> See the judgment of HH Judge Hacon in *Burgerista Operations GmbH v Burgista Bros Limited* [2018] EWHC 35 (IPEC) at paragraph 69: "(6) Reputation constitutes a knowledge threshold, to be assessed according to a combination of geographical and economic criteria."

send a message to the applicant's customers as to what they can expect.<sup>21</sup> The evidence does not support the claims to detriment to distinctive character and/or repute ('dilution' and 'tarnishing'). There is nothing in the evidence from which dilution can be inferred (beyond a finding of confusion) and the claim to tarnishing is speculative.<sup>22</sup> The ground fails.

### **Section 5(3) outcome**

76. The section 5(3) ground fails.

### **Section 5(4)(a) of the Act**

77. Section 5(4)(a) states:

“(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, where the condition in subsection (4A) is met,

(aa) [...]

(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.”

78. Subsection (4A) of Section 5 states:

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<sup>21</sup> *L’Oreal v Bellure*, Case C-323/09.

<sup>22</sup> *Environmental Manufacturing LLP v OHIM*, Case C-383/12 P, CJEU; and, *Unite The Union v The Unite Group Plc*, Case BL O/219/13, Ms Anna Carboni, sitting as the Appointed Person.

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

79. The three elements which the opponent must show are well known. In *Discount Outlet v Feel Good UK* [2017] EWHC 1400 (IPEC), Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

80. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co’s Margerine Ltd* [1901] AC 217 at 223:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

81. In a case such as this where there is no evidence that the applicant’s mark has been used, it is the date when the applicant applied to register its trade mark (19

February 2020) which is the relevant date. The opponent is required to establish through evidence that its business, distinguished by the sign SAM, had goodwill in relation to the goods relied upon at the relevant date.

82. The opponent's evidence shows that SAM has been used only in relation to the goods for which I found genuine use. I am unable to say whether the level of goodwill was substantial, for the reasons already given regarding contextual gaps in the evidence, but the sales figures and consistency of use over a period of time prove that the opponent's use was sufficient, at the relevant date, to have generated goodwill upon which to found its passing off action. I find that the evidence shows that, at the relevant date, the opponent had goodwill in its business, distinguished by the sign SAM, in relation to the goods for which I have found genuine use, but not for the wider goods relied upon.

83. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lord Justice Lloyd stated, with reference to *Neutrogena Corporation v Golden Ltd* [1996] RPC 473 and [1996] RPC 496:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

84. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to found a passing off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the opponent's actual business would be likely to be deceived. This is relevant for the present case because the specialised nature of the opponent's business means that

it may have a small number of actual or potential customers of whom the number who will be deceived will still be substantial, if small.

85. Earlier in this decision, I found that there is a likelihood of confusion. The sign relied upon is the same as the opponent's registered mark and the opponent's goodwill in relation to its SAM goods corresponds to the goods considered under section 5(2)(b). Although the test for misrepresentation requires that a substantial number of members of the public are deceived rather than whether the average consumer is confused, it has been recognised in *Marks and Spencer PLC v Interflora* that it is doubtful whether the difference between the legal tests will produce different outcomes.<sup>23</sup> I find that the section 5(4)(a) ground succeeds because a substantial number of the opponent's actual or potential customers will be deceived into believing that the applicant's goods are those of the opponent or an undertaking economically linked to the opponent.

86. If I am wrong about my section 5(2)(b) conclusions as to the similarity of the goods, I remain of the view that there would be misrepresentation because the parties' goods are both used in invasive medical treatment which takes place in hospital operating theatres. In *LUMOS*, Lord Justice Lloyd observed:

"42. If the same mark is used in relation to goods of two entirely different natures, of kinds which no ordinary person would suppose could be connected, then the use of the mark by one party is unlikely to be found to amount to a representation that its goods are from the same trade origin as those of the other user. If the Defendants had used the mark LUMOS in relation to, let us say, electric lights or light fittings, then it might be fair to say that no-one would suppose that the use of the same mark suggested that such goods came from the same source as the Claimant's skincare products. (Compare the unsuccessful attempt by Granada Television to prevent Ford from selling a car under the name Granada: *Granada Group Ltd v Ford Motor Company Ltd* [1973] RPC 49.) The Defendants sought to show that the skin care and nail care sectors of the beauty industry are quite distinct, but they cannot be said to

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<sup>23</sup> [2012] EWCA (Civ) 1501



be so distinct and separate that no-one could suppose that the use of the same mark in both sectors carried a representation of common origin or business association. For one thing, that is belied by the evidence that some well-known brand names are used in both sectors, as already mentioned.”

87. I find that the use of the application at the relevant date would create a misrepresentation that the parties’ goods had a common origin or business association; for example, an expansion of the opponent’s business to surgical instruments, the IO designating intraosseous surgery. Damage would follow; for instance by injurious association and the loss of control over the opponent’s goodwill and reputation.<sup>24</sup> **The section 5(4)(a) ground succeeds.**

### **Overall outcome**

88. The opposition succeeds under sections 5(2)(b) and 5(4)(a) of the Act. The application is refused.

### **Costs**

89. The opponent has been successful and is entitled to a contribution towards its costs, based upon the published scale.<sup>25</sup> The opponent’s written submissions in lieu of a hearing amounted to some thirty-seven pages, which is unnecessarily long for a case of this kind. I award costs in the opponent’s favour, as follows:

Statutory fee for the opposition	£200
Preparing a statement and considering the counterstatement	£300
Preparing evidence	£700

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<sup>24</sup> *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1

<sup>25</sup> Tribunal Practice Notice 2/2016.

Written submissions in lieu of a hearing £350

Total £1550

90. I order The Seaberg Company, Inc. to pay to M G Electric (Colchester) Limited the sum of **£1550**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 21<sup>st</sup> day of June 2022**

**Judi Pike**  
**For the Registrar**