**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2023364B**
**BY NEWS GROUP NEWSPAPERS LIMITED**
**TO REGISTER A TRADE MARK IN CLASSES 35 AND 36**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NUMBER 47147**
**BY SUN MICROSYSTEMS INC**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 2023364B**
**by News Group Newspapers Limited**
**to register a Trade Mark in Classes 35 and 36**

**AND**

**IN THE MATTER OF Opposition thereto under No. 47147**
**by Sun Microsystems Inc**

**BACKGROUND**

1. On 9 June 1995 News Group Newspapers Limited applied to register the trade mark THE SUN in Classes 35 and 36 of the register for the following specifications of services:

> **Class 35:**
>
> Business management and business administration services, consultancy services, business project planning, business advisory services, business support services, business management, advice and assistance, business research, business organisation, business acquisitions and business mergers; tax and taxation planning, advice, information and consultancy services; publicity services; services of publicity agency, advertising, preparation and dissemination of advertising matter, preparation and dissemination of publicity matter, organisation of exhibitions for commercial and advertising purposes, direct mail advertising services; arranging and conducting of trade shows and exhibitions; development of industry and commerce; marketing services and advertising services; book-keeping services; statistical information services; computerised business information storage and retrieval; but none of the aforesaid services relating to data processing services.
>
> **Class 36:**
>
> Financial services relating to bank cards, credit cards, debit cards, cash dispersement, cheque verification and cheque cashing, issuing and redemption of travellers' cheques and travel vouchers and advisory services relating thereto; all included in Class 36.

2. The application was subsequently accepted by the Registrar and published in the Trade Marks Journal.

3. On 1 July 1997 Sun Microsystems Inc. filed a Notice of Opposition. In summary the grounds were:

> (i) Under Section 5(2)(b) of the Act because the mark applied for is similar to the following marks owned by the opponent which cover identical and similar services

and goods and a likelihood of confusion exists on the part of the public - registration numbers 1188313, 1256593, 1256594, 1339862, 1502547, 1502557, 1502590, 1502623, 1502653, 1502690, 1502842, 1516151, 1588540, 1508989, 1573491, 1534825, 1543203, 1557803, 1557804, 1543204, 1534826, 1542727, 1557805 and application number 1478484. Details of these marks, as supplied by the opponent in the Statement of Grounds, are at Annex One to this decision.

(ii) Under Section 5(3) of the Act because the mark applied for is similar to the earlier trade marks owned by the opponent and to the extent that the services and/or goods are deemed not similar, registration of the mark in suit would take unfair advantage of or be detrimental to, the distinctive character or the repute of the opponent's earlier marks.

(iii) Under Section 5(4)(a) of the Act by virtue of the law of passing off.

(iv) Under Section 3(6) of the Act because the application was made in bad faith.

(v) Registration should be refused under the Registrar's discretion.

4. On 3 October 1997 the applicant filed a Counterstatement denying the above grounds. Both sides have filed evidence and have asked for an award of costs in their favour. The matter came to be heard on 16 July 2002 when the applicant for registration was represented by Ms Briss of Counsel instructed by Haseltine Lake Trademarks and the opponent by Mr Vanhegan of Counsel instructed by Field Fisher Waterhouse.

**Opponent's Evidence**

5. This consists of a statutory declaration by David Thompson dated 28 April 2000. Mr Thompson is Product Sales Director at Sun Microsystems Limited, a wholly owned subsidiary of the opponent company Sun Microsystems Inc.

6. Mr Thompson explains that Sun Microsystems (Sun) grew through the 1980's by building computers and developing operating systems software, computer networking hardware, software and services and other microelectronics and quickly led the market for computers, software and related goods and services. He adds that immediately prior to 9 June 1995, of the world's top 25 computer companies, ranked in terms of financial turnover, Sun occupied 17th position and at Exhibit "DTI" to Mr Thompson's declaration is an extract from the Journal Datamotion illustrating this point. He states that International Data Corporation (IDC) quote that Sun is Number 1 in UNIX workstations and Number 2 in UNIX servers.

7. Mr Thompson states that Sun have traded in the United Kingdom since 1983 and their activities have been advertised and have received coverage in national newspapers, as well as in computer focussed literature. He adds that goods and services are marketed under names and marks incorporating SUN are advertised to the public through print advertising, distribution of promotional literature, appearances at exhibitions, promotional visits and the sponsoring of high profile events such as motor racing.

8. Turning to the value of sales of products and services, under the name of Sun Microsystems and marks incorporating SUN, Mr Thompson states that worldwide since the date of first use they amount to $26 billion or approximately £17 billion when converted. He says that UK figures regarding the volume and value of turnover are confidential.

9. Mr Thompson submits that, having regard to the use and reputation of SUN in the name Sun Microsystems and the large family of trade marks incorporating SUN, he believes use of an identical mark on or in relation to business and financial services is likely to imply to a business person that the services are offered by the opponent. He contends that the relevant customers would be similar ie. companies buying hardware and software systems also buy in the support services covered within the application in suit. He adds that there is almost always a link between information technology and business and information services.

**Applicant's Evidence**

10. This consists of a witness statement by Steven Hutson dated 2 August 2001. Mr Hutson is a director of News Group Newspapers Limited (the applicant).

11. Mr Hutson explains that the applicant is the publisher of THE SUN daily newspaper which was launched on 17 November 1964 and has an audited circulation in the period August 2000 - January 2001 of 3,614,303, making it the largest circulation daily newspaper in the United Kingdom. Exhibit SH1 to Mr Hutson's declaration comprises an extract from Willings Press Guide 2001 confirming the circulation figures. This, of course, post dates the relevant date for these proceedings which is the date of application for the mark in suit ie. 9 June 1995.

12. Mr Hutson points out that the applicant has spent the following amounts on television promotion of THE SUN newspaper in the past five years:

| YEAR | AMOUNT (£) |
|---|---|
| 2001 (to date) | 7,605,000 |
| 2000 | 9,173,665 |
| 1999 | 9,037,664 |
| 1998 | 9,076,868 |
| 1997 | 5,079,192 |

13. At Exhibit SH23 to Mr Hutson's declaration is a videotape compilation of advertising for the newspaper. He adds that these advertisements have appeared on terrestrial and satellite television channels and he goes on to list a number of these channels.

14. Mr Hutson explains that, in addition to income generated through circulation of the newspapers, the Applicant, in common with other newspapers, relies on the sale of advertising space to generate revenue and in the case of THE SUN newspaper, the revenues

generated from this source are very substantial and the Applicant has a legitimate and bona fide claim to registration of the mark applied for in relation to advertising services performed for others. Mr Hutson draws attention to Exhibit SH.3 to his declaration which contains details taken from Willings Press Guide 2001, showing the advertising rates for advertisements placed in THE SUN. Mr Hutson believes that, given the fame of THE SUN newspaper and the association between newspapers generally and advertising there is no possibility of members of the public believing advertising and related services, including such services as the organization of exhibitions offered under the trade mark THE SUN emanate from any undertaking other than the Applicant.

15. Mr Hutson goes on to say that in recent years the range of advice and information provided by newspapers generally and the Applicant's newspaper in particular has increased greatly. With this in mind, the Applicant is therefore seeking to register its trade mark in relation to the provision of financial advice, information relating to banking services such as credit cards interest rate comparisons or mortgage offers. He adds that the Applicant has offered its own credit card as a service to readers and has been known to offer other reader services, such as holiday insurance and exchange rate information. At Exhibit SH.4 to Mr Hutson's declaration is an article from the Thursday 24 June 1999 edition of THE SUN following up on financial advice previously given to readers. Mr Hutson believes that the very extensive reputation of THE SUN newspaper in the United Kingdom serves to ensure that there is no possibility of the confusion or association of any of these services with those of any other undertaking.

16. Mr Hutson draws attention to UK trade marks registered by the applicant consisting of or containing the words THE SUN, which are listed at Exhibit SH5 to his declaration, including SUNCARD in Classes 35 and 36.

**Opponent's Evidence in reply**

17. This consists of three witness statements, two from Niall Tierney dated 2 November 2001 and 4 March 2002 and one from Fiona Gallagher dated 2 November 2001.

18. Mr Tierney is employed by Field Fisher Waterhouse, the opponent's professional advisors in this opposition case. In relation to the likelihood of confusion, Mr Tierney draws attention to Exhibit NT 1 to his statement to e-mail extracts taken from various publications dated 1999 and 2000 (after the relevant date of 9 June 1995) relating to the opponent's worldwide activities. He goes on to state that the goods of Sun Microsystems under names and marks incorporating SUN are also advertised to the public at exhibitions and through promotional material provided to customers at exhibitions and at Exhibit NT 2 are examples of such materials provided to customers at an exhibition held in September 2000 (after the relevant date).

19. Turning to the proposed expansion of the applicant's services, Mr Tierney states that the opponent has a large number of clients in the business and financial services industries who use and purchase their products. The opponent had specialist teams dealing with individual service sectors. He adds that Sun Microsystems is the leader in network computer systems and has become a leading supplier of computer technology throughout the world, including

the UK. He lists a number of clients, including Abbey National, Barclays Bank, Eagle Star Direct, Nat West Bank and Nationwide Building Society. Customers use Sun Microsystems for risk management, securities trading, accounting, clearing and settlement, trading information, retail banking, capital markets, wholesale banking, customer service, credit and processing etc.

20. Fiona Gallagher is the Marketing Manager of the opponent. She confirms that the opponent uses the SUN mark and other trade marks incorporating the word SUN on a wide range of computers and computer related services e.g. business administration and management services, database management, advertising, arranging and conducting trade shows, advisory services and education and training. At Exhibit FG 1 to her statement are a User Guide to Sun's Services and a Sun Catalogue both dated 2000.

21. Ms Gallagher goes on to confirm that Sun Microsystems has a large number of clients in the business and financial services industries and the manufacturing sector and provides examples of various "household names" as clients.

22. Ms Gallagher also draws attention, at Exhibits 3 - 5 of her statement to publications, success stories and exhibitions relating to the opponent, all of which concern events after the relevant date for these proceedings.

23. Mr Tierney has provided a second witness statement for the opponent. He says that in order to highlight the strong reputation that Sun Microsystems had in the UK during the year the applicant filed their application a copy of the Report and Accounts for the year ended 30 June 1996 for Sun Microsystems Limited is attached as Exhibit NT1 to his statement. Mr Tierney draws particular attention to page 6 of the Report which shows that turnover of £104,545,000 was generated for the year ended 30 June 1996 and that the cost of sales was £22,370,000. He adds that figures for the year ended 20 June 1995 (the actual relevant year, during which the applicant sought to register the mark in suit) are also included. Mr Tierney also refers to the "Activities" Report in page 2 to the Report and Accounts which states that "The company is engaged in the sale and service of UNIX based computers and related products that support the distributed computing model".

24. At exhibit NT 2 to his statement, Mr Tierney draws attention to newspaper articles from autumn to winter 1996 editions of the Financial Times which refer to Sun Microsystems.

25. This completes my summary of the evidence filed in this case. I now turn to the decision.

**DECISION**

26. Mr Vanhegan dropped the grounds based on the Registrar's discretion at the hearing.

27. I turn first to the ground of opposition based upon Section 5(2)(b) which reads as follows:

> "5.-(2) A trade mark shall not be registered if because -

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

28. An earlier right is defined in Section 6, the relevant parts of which state:

"6.-(1) ....

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

29. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG,* paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG,* paragraph 23;

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG,* paragraph 23;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;

(g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 26;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG*, paragraph 41;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

30. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection awarded to such a mark. The opponent has filed evidence relating to the reputation of the marks SUN MICROSYSTEMS and SUN, in relation to computer apparatus and in particular, web stations and servers.

31. The words THE SUN or indeed SUN or SUN MICROSYSTEMS, while obvious dictionary words, seem to me to be inherently distinctive in relation to the relevant goods and services but I go on to consider whether the evidence filed demonstrates that these marks have acquired a reputation in the United Kingdom sufficient to enhance their intrinsic merits.

32. As mentioned at the hearing, most of the evidence filed in this opposition relates to documents and events post dating the relevant date for these proceedings (9 June 1995) and much of it relates to the global position. As at the relevant date the opponent has not provided details of UK figures regarding the value and volume of UK sales under its SUN or SUN MICROSYSTEMS trade marks, there are no specific examples of use of these marks in the market place, sales under these marks, nor examples of the marketing and promotion of the marks. Furthermore, the opponent has not filed any independent evidence from the public or the trade which goes to the repute of the marks.

33. At the hearing Mr Vanhegan drew my attention to the copy of the Report and Accounts for the year ended June 1996 for Sun Microsystems Limited which was filed as Exhibit NT1 to Mr Tierney's witness statement of 2 November 2001 - paragraph 23 of this decision refers. He referred to the high volume of sales shown in the report - turnover was £104,545,000 for the year ended 30 June 1996 and was £86,430,000 for the year ended 20 June 1995, and also

pointed out that the "copyright footnote" on page 13 to the document states SUN MICROSYSTEMS and SUN to be trade marks of Sun Microsystems Inc. However, while this Report and Accounts undoubtably shows that Sun Microsystems Limited had a significant market presence in 1994/95 in relation to "the sale and service of UNIX' based computers and related products...." it does not demonstrate a reputation or even any sales under SUN or SUN MICROSYSTEMS trade marks. As Mr Birss pointed out for the opponent's, the "copyright footnote" to the Report and Accounts also makes mention of several other trade marks e.g. SPARC, UNIX and JAVA. He added that his own client in this opposition is News Group Newspapers Limited but the name of the company does not necessarily equate with or share the repute of its products e.g. THE SUN or THE TIMES, in the market place with customers.

34. Mr Vanhegan also drew my attention to the extracts from the Financial Times at Exhibit NT2 to Mr Tierney's witness statement of 2 November 2001 which he submitted, went to the opponent's reputation. However, while these 1996 articles show Sun Microsystems to be a leading business in the field of internet servers and computer workstations, with particular reference to its JAVA systems and language, they do not demonstrate that Sun Microsystems have a reputation, or even use, in relation to goods or services in the trade marks SUN or SUN MICROSYSTEMS in the UK. In my view, it does not follow that because a company is mentioned in the financial press, that its goods or services are sold under the company name and have a reputation under that name. I can only confirm that the opponent has provided no actual examples of use of the trade marks SUN or SUN MICROSYSTEMS in relation to its goods and/or services.

35. The onus is upon the opponent to show that its earlier trade marks enjoy a reputation or public recognition and on the basis of the evidence filed in this opposition I do not believe this onus has been discharged. However, I acknowledge that the opponent's earlier registrations possess inherent strengths in relation to the goods and services for which they are registered.

36. In essence the test under Section 5(2) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the recent judgements of the European Court mentioned earlier in this decision. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements, taking into account the degree of similarity in the goods and/or services, the category of goods and/or services in question and how they are marketed. I must assume normal and fair use of the marks across the full range of goods and services included within the respective specifications.

37. At the hearing Mr Vanhegan made it clear that the opponent's felt that their strongest case in relation to the Section 5(2) ground rested with the following four registrations:- numbers 1502653 in Class 9; 1256594 in Class 9, 1502557 in Class 9; and 1573491 in Class 35. Details of these registrations are at Annex Two to this decision.

38. He went on to submit that the remainder of the opponent's registered trade marks support their case to a reputation in a family of house marks in the form of "Sun....". However, although the common feature of the opponent's registrations is the word SUN I do not consider it appropriate to link these marks together in consideration of likelihood of confusion and the possibility of imperfect recollection. In a recent unreported decision of the Appointed Person - In the matter of Application No 2070392 to register a series of four trade marks in the name of The Infamous Nut Company Ltd in classes 29 and 31 and in the matter of Opposition thereto under No 47392 by Percy Dalton (Holdings) Ltd (BL 0/411/01) at paragraphs 35, 36 and 37, Professor Ruth Annand stated that:-

> "It is impermissible for Section 5(2)(b) collectively to group together several earlier trade marks in the proprietorship of the opponents.
>
> Section 5(2)(b) speaks of registration being refused on the basis of an earlier trade mark (as defined by Section 6). Thus where the opponent relies on proprietorship of more than one earlier trade mark, the registrability of the applicant's mark must be considered against each of the opponent's earlier trade marks separately (ENER-CAP Trade Mark [1999] RPC 362).
>
> In some circumstances it may be possible for the opponent to argue that an element in the earlier trade mark has achieved enhanced distinctiveness in the eyes of the public because it is common to a "family of marks" in the proprietorship and use of the opponent (AMOR, Decision No 189/1999 of the Opposition Division, OHIM OJ 2/2000 p 235). However, that has not been shown by the evidence to exist in the present opposition and cannot, as contended by Mr Walters on behalf of the opponent, be presumed from the state of the register in classes 29 and 31."

39. I would add that in the present case the opponent's evidence has not demonstrated enhanced distinctiveness in relation to their earlier trade marks.

40. Turning to a comparison of the respective services and/or goods, I have to decide whether the services covered by the application are the same or similar to the services and goods covered by the opponent's registrations. My comparisons take into account that the opponent has stated that its strongest case rests in trade mark registrations number 1502653, 1256594, 1502557 and 1573491.

41. In determining whether the services covered by the application are similar to the goods and services covered by the opponents trade marks I have considered the guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (Pages 296, 297) as set out below:

> "The following factors must be relevant in considering whether there is or is not similarity:
>
> (a) The respective uses of the respective goods or services;
>
> (b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of services;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in particular they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors."

42. Whilst I acknowledge that in view of the CANON-MGM judgement by the European Court of Justice (3-39/97) the Treat case may no longer be wholly relied upon, the ECJ said the factors identified by the UK government in its submissions (which are listed in TREAT) are still relevant in respect of a comparison of goods and/or services.

43. The specifications of the mark in suit include Class 35 and the opponent's have included their registration number 157349 in Class 35 in their "strongest case" prior registrations. Both the applicant's and opponent's Class 35 specifications are widely drafted in that they both specifically cover "business management" services at large. These services are obviously identical. Furthermore, the opponent's Class 35 specification also includes "computerised database management" which is in effect identical to the applicant's computerised business information and retrieval. Staying with the respective Class 35 specifications I go on to consider whether the opponent's and applicant's specifications include similar services. I have no hesitation in concluding that "business management services" in the opponent's specification share a similarity with the applicant's other services in Class 35. While, I have no evidence before me on the point, it seems to me that it would be normal in trade for the providers of business management services to also be in the field of providing other business services e.g. business advice, consultancy, business support and business research. Such advice could well encompass or be allied to other activities which impact upon business e.g. taxation, advertising and statistics. These services could well be targeted at the same potential customers and would be connected in the market place. I do not believe that the other three "best case" registrations further assist the opponent given that the same and closely similar services are covered by their Class 35 registration. However, I do not believe that the opponent's Class 9 goods have a similarity with the Class 35 services specified by the applicant.

44. The application in suit also specifies services in Class 36 and I go on to consider whether these services are similar to those covered by the opponent's registrations. Despite Mr Vanhegan's contention that the applicant's Class 36 specification is widely drafted and equates to claiming "banking services" at large, it is my opinion that the specification relates to and includes those services offered by credit and debit card providers. In my view financial services and banking activities at large go far wider than the services specified by the applicant and include e.g. mortgage and investment provision and advice, current and

deposit account facilities and safety deposit facilities. After careful consideration I have reached the conclusion that the Class 36 services specified by the applicant would not generally be connected with or provided by those businesses engaged in "business management services" or in the provision of computing or scientific apparatus, or computer software, or computer services. The services and/or goods would not be in competition and would not generally share the same target customers. In my view the applicant's Class 36 services and the goods and services included within the specifications of the opponent's registered marks do not share a similarity and as similarity of goods and/or services is a prerequisite under Section 5(2), this ground cannot succeed in relation to the Class 36 specification.

45. I now go on to compare the mark in suit with the opponent's earlier trade marks, bearing in mind that I have only found, on the four "best case" marks put forward by the opponent, that identity and similarity of services exists with registration number 1573491 in Class 35, the mark SUN SITE.

46. The mark in suit comprises the obvious dictionary words THE SUN while the opponent's registration consists of the words SUN SITE. Both marks have no reference to the services at issue and I have previously commented upon the inherent strength of the opponent's registration in this decision.

47. The respective marks must be compared as a whole and by reference to overall impression but, as recognised in Sable v Puma AG (mentioned earlier in this decision), in any comparison reference will inevitably be made to the distinctiveness and dominance of individual elements. It is, of course, possible to over analyse marks and in doing so shift away from the real test which is how marks would be perceived by customers in the normal course and circumstances of trade and I must bear this in mind when making the comparisons.

48. On a visual and aural comparison of the respective marks, the similarity and differences are plain in that both marks contain the word SUN, but the opponent's mark also contains the different words THE and SITE which has a visual and aural impact.

49. Turning to a conceptual comparison, the applicant's mark has an obvious connotation. In my view while the opponent's mark could be perceived as referring to a sunny sight or location or perhaps a computer site relating to the sun, the reference to the sun is nevertheless both strong and memorable.

50. In assessing the degree of similarity between the marks and whether it is sufficient to give rise to a likelihood of confusion I must consider who the average customer is and make appropriate allowance for imperfect recollection.

51. The applicant's and opponent's Class 35 specifications generally relate to services which would be provided to businesses as opposed to the public at large. Accordingly, it seems to me that the prospective customer for the services is likely to be relatively careful and discerning. While this mitigates against a likelihood of confusion it does not follow that confusion will not occur given that identical and closely similar services are involved in Class

35 and that the word SUN, contained in both marks, is a highly distinctive element in relation to the services at issue.

52. On a global appreciation, notwithstanding the differences in the marks and that the average customer for the services is likely to be relatively discerning, it seems to me that the word SUN is a strong distinctive element within the opponent's registration. Given that identical and closely similar services are involved in Class 35, it is my view that the applicant's mark would capture the distinctiveness of the opponent's SUN SITE mark in normal and fair use in the market place in relation to the Class 35 services specified by the applicant. I am of the opinion that the Class 35 services would be assumed to come "from the same stable".

53. In reaching a decision in relation to the likelihood of confusion I have particularly borne in mind the following comments of the European Court of Justice in Canon:-

> "Accordingly, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see Sabel, paragraphs 16 to 18)."

54. The opposition under Section 5(2)(b) of the Act is successful in relation to Class 35 of the application in suit but fails in relation to Class 36.

55. Next I go to the Section 5(3) ground. Section 5(3) of the Act reads as follows:-

> "5.-(3) A trade mark which -
>
> (a) is identical with or similar to an earlier trade mark, and
>
> (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,
>
> 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 Community trade mark, in the European Community) 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."

56. Section 5(3) requires consideration of:

(i) whether the trade mark opposed is identical with or similar to the earlier trade mark;

(ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected;

(iii) whether, and to what extent, the earlier trade mark has a reputation in the

United Kingdom;

(iv) whether the use of the later trade mark is "without due cause";

(v) whether the use of the later trade mark:

(a) takes unfair advantage of; and/or

(b) is detrimental to;

The distinctive character of the repute of the earlier mark.

57. Earlier in this decision I accepted that the respective marks are similar and that the respective specifications included services and goods and services which are dissimilar (points (i) and (ii)).

58. Guidance in relation to reputation under Section 5(3) have been set out in *General Motors Corporation v Yplon SA*, 2000 RPC 572, in paragraphs 23 to 27. Paragraph 26 indicates the standard that must be reached:-

> *"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."*

59. This test sets out a high threshold in my view and the onus is upon the opponent to prove that its trade mark enjoys a reputation and public recognition. In the present case there are obvious and glaring deficiencies in the opponent's evidence on this point - paragraphs 31 to 35 of this decision refer. To sum up, in relation to their trade marks the opponent has not provided any specific details or examples of:- use of their marks; the value and volume of sales; the market share of their marks; the promotion and marketing of goods or services under their marks; and no independent evidence from the public or trade.

60. In light of the above I am unable to find or infer that the opponent had a reputation in the UK at the relevant date, especially taking into account the strict requirements which need to be satisfied under Section 5(3) to expand the parameters of "normal" trade mark protection. The opposition under Section 5(3) of the Act must fail on this basis.

61. Next, the Section 5(4)(a) ground. Section 5(4)(a) states:

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

62. The law on the common law tort of passing off is clearly set out by Geoffrey Hobbs QC, acting as the 'Appointed Person', in *Wild Child* [1998] 14 RPC, 455:

"A helpful summary of the element of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in Reckitt & Colman Products Ltd v Borden Inc [1990] RPC 341 and Erven Warnink BV v J Townend & Sons (Hull) Ltd [1979] ACT 731 is (with footnotes omitted) as follows:

> "The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:
>
> (a) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
>
> (b) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
>
> (c) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

The restatement of the elements of passing off in the form of this classical trinity has been referred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

63. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

> "To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:
>
> (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
>
> (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

64. Thus, to succeed in a passing off action, it is necessary for the opponents to establish that at the relevant date (9 June 1995) (i) they had acquired goodwill under their mark, (ii) that use of the applicant's mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

65. Thus to succeed in a passing off action it is necessary for the opponent's first of all to establish that at the relevant date (9 June 1995) they had acquired goodwill under their trade mark or marks.

66. I considered the evidence filed in relation to the opponent's repute in its marks and pointed out its obvious shortcomings earlier in this decision. It seems to me that the opponent failed to show a reputation in its marks at the relevant date. Notwithstanding, the copy of the 1996 Report and Accounts of Sun Microsystems Limited that were filed in these proceedings, it has also failed to demonstrate relevant use of its marks in trade on, or directly in relation to, its goods and services.

67. The requirement upon an opponent to demonstrate goodwill in the context of passing off has been considered in two recent cases. In the case of *Radio Taxicabs (London) Limited v Owner Drivers Radio Taxi Services Limited*, 12 October 2001, Mr Robert Englehart QC sitting as a Deputy Judge in the High Court pointed out that the court was faced with "the total absence of evidence from the wider public" and went on to find that the burden of proving reputation with the general public lay on the claimant. At paragraph 89 the judge stated:

*"I consider it <u>possible</u> that the claimant may have built up a sufficient reputation in the ways relied on but I cannot conscientiously put it any higher in the claimant's favour than that .... . Thus one is left to speculate Speculation is not enough. At the end of the day the burden of proving on the balance of probabilities, the requisite*

*reputation with the general public in the name "Radio Taxis" lies on the claimant and I find that the claimant has not discharged it."*

68. Furthermore, in the case of *South Cone Inc v Jack Bessant*, and Others (a partnership) 16 May 2001, where in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a), Pumfrey J said:-

> *"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima face case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent that the enquiry under Section 11 of the 1938 Act (see Smith Hayden (OVAX) (1946) 63 RPC 97. As qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.*
>
> *Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date."*

69. I have come to the conclusion that the opponent's evidence does not establish sufficient reputation or goodwill at the relevant date under its trade marks to sustain a passing off action. Accordingly, the passing off ground falls at the first hurdle and I must dismiss the Section 5(4) (a) opposition.

70. Finally, the bad faith ground which I only need to consider in relation to Class 36 as the opponents have already been successful in relation to Class 35 under Section 5(2) of the Act.

71. Section 3(6) of the Act states:

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

72. In his skeleton argument, Mr Vanhegan set out the opponent's case under Section 3(6) as follows:

> "Despite the great age of News Group's application there is absolutely no evidence led by it that it has used the mark as a trade mark at all. In these rather exceptional circumstances and bearing in mind:
> (1) the nature of News Group's actual business;
> (2) there being no suggestion that there is or will be a material change in News Group's commercial circumstances;
> (3) the width of the registrations sought;
> it is a fair and reasonable inference to draw that News Group does not and never has had any bona fide intention to use this sign as a trade mark, let alone as a trade mark

across the full width of the registrations sought.

News Group's real interest insofar as it has one is in the trade mark The Sun. In those circumstances the application should be refused as having been made in bad faith, pursuant to section 3(6)."

73. In the current opposition, Section 32 of the Act, which deals with basic application requirements, is relevant. Sub section (3) reads:

"The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used."

74. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of "bad faith" in Section 3(6) of the Act and stated (at page 379):

*"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."*

75. In a recent unreported decision of the Appointed Person. In the matter of Application No 2031741 by Eicher Limited - Royal Enfield Motor Units to register a mark in Class 12 and in the matter of Opposition thereto under No 45356 by David Matthew Scott Holder T/A Velocette Motorcycle Company and in the matter of Application No 9188 by David Matthew Scott Holder T/A Velocette Motorcycle Company for a declaration of invalidity in respect of Trade Mark No 15614064 in the name of Eicher Limited -Royal Enfield Motor Units, paragraph 31, Simon Thorley QC in relation to Section 3(6) stated that:

*"An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in Associated Leisure v Associated Newspapers (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see Davy v Garrett (1878) 7 Ch. D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference."*

76. I have little doubt that applying for a trade mark without the intention to use the mark on all the goods specified amounts to bad faith, especially given that the application form for the

registration of a trade mark requires a signature by or on behalf of the applicant agreeing that:

> *"The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used."*

77. I am fortified in this view by the following comment on Section 3(6) from the publication 'Notes on the Trade Marks Act 1994 (which was prepared for the use of Parliament during the passage of the Bill) that bad faith might be found "where the applicant has no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application." Furthermore, in the case of the Demon Ale Trade Mark Application [2000] RPC 345, the Appointed Person, Mr Geoffrey Hobbs QC, held that where the applicant was a person who could not truthfully claim to have a bona fide intention to use the mark applied for as a trade mark for beer, the fact that his application included a claim to that effect was sufficient to justify its rejection under Section 3(6).

78. While it is clear that bad faith can arise where there is no actual dishonesty, bad faith is nevertheless a serious allegation and there is a clear onus on the opponent to satisfy the Registrar that the ground of opposition is made out. Furthermore, an objection under Section 3(6) is a difficult one to substantiate. It is difficult for the opponent to prove a negative; that the applicant did not have an intention to use.

79. It is clear from the Act that there is no requirement for a mark to have been used prior to application and it is sufficient that an applicant has a bona fide intention to use the mark. The applicant for the mark in suit has not demonstrated use of the mark in relation to the Class 36 services prior to the date of application. However, the applicant rebuts the allegation that the mark was applied for in bad faith and states that there is an intention to use the mark in relation to the services. At the hearing Mr Birss pointed out that in the current trading conditions, credit or debit card services are offered by numerous organisations whose activities are not primarily in the banking or financial services sector e.g. supermarkets, manufacturers and even charities. I would only add that it is not uncommon for an applicant to secure registration of a trade mark before finalising and implementing trading plans. The opponent's evidence does not demonstrate the claim that the opponent has no intention to trade in the services specified.

80. While I acknowledge the difficulties faced by the opponent in attempting to prove a negative, the opponent's evidence cannot assist its claim in the face of the rebuttal and explanations of the applicant. As stated earlier, the onus rests with the opponent and on the evidence before me the opponent has not shown and I feel unable to infer that, the application was made in bad faith in respect of all or some of the services for which registration is sought. Certainly, on a prima facie basis and after taking into account the evidence filed, the specifications of services applied for do not appear to me to be unduly wide or unrealistic in their scope or potential application. The opposition under Section 3(6) fails.

81. The opposition has succeeded in relation to Class 35 only. If within 28 days of the expiry of the appeal period the applicant's file a Form TM21 restricting their specification to the Class 36 services applied for, then the application will be allowed to proceed to registration

accordingly. If they fail to file a Form TM21 restricting their specification the application will be refused in its entirety.

82. Both sides have achieved a measure of success and in the circumstances I make no order as to costs. However, if the applicant's do not amend their specification on the basis set out above and the application is refused in its entirety the opponent will be free to lodge an appropriate claim for costs.

**Dated this 27th day of August 2002**

**JOHN MacGILLIVRAY**
**For the Registrar**
**the Comptroller-General**

**ANNEX ONE**

| **Mark** | **No.** | **Class** | **Advertised in Trade Marks Journal** |
|---|---|---|---|
| SUN WORKSTATION | 1188313 | 9 | 5768 - page 1842 |
| SUN MICROSYSTEMS | 1256593 | 9 | 5768 - page 1843 |
| SUN and Device | 1256594 | 9 | 5660 - page 447 |
| SUNLINK | 1339862 | 9 | 5800 - page 6489 |
| SUNPRO | 1502547 | 9 | 6141 - page 1202 |
| SUN and Device | 1502557 | 9 | 6097 - page 8617 |
| SUNCONNECT | 1502590 | 9 | 6026 - page 3142 |
| SUNSELECT | 1502623 | 9 | 5967 - page 1762 |
| SUN | 1502653 | 9 | 6072 - page 2664 |
| SUNPICS | 1502690 | 9 | 5967 - page 1762 |
| SUNEXPRESS | 1502842 | 9 | 6006 - page 8087 |
| SUNDISK | 1516151 | 9 | 6015 - page 1323 |
| SUNSCREEN | 1588540 | 9 | 6134 - PAGE 8901 |
| SUNWORLD | 1508989 | 35 | 5982 - page 4391 |
| SUN SITE | 1573491 | 35 | 6127 - page 5423 |
| SUNSPECTRUM | 1534825 | 37 | 6013 - page 1072 |
| SUNSERVICE | 1542303 | 37 | 6030 -page 3813 |
| SUNNETWORKS | 1557803 | 37 | 6090 - page 6637 |
| SUNSERVICE | 1543204 | 41 | 6030 - page 3824 |
| SUNSPECTRUM | 1534826 | 42 | 6013 -page 1082 |

| | | | |
|---|---|---|---|
| SUNSERVICE | 1542727 | 42 | 6014 - page 1248 |
| SUNNETWORKS | 1557805 | 42 | 6090 - page 6647 |

The Opponent is the proprietor of the following applications for the marks incorporating the words SUN.

| **Mark** | **No.** | **Class** | **Filing Date** |
|---|---|---|---|
| SUNDANCE | 2045913 | 7 | 22 November 1995 |
| SUNSOFT | 1478484 | 9 | 2 October 1991 |
| ULTRA/SUN ULTRA SUNULTRA | 2029125 | | 2 August 1995 |
| SUN MEDIACENTER/ SUN MEDIA CENTER/MEDIA CENTER | 2042045 | 9 | 20 October 1995 |
| SUNDANCE | 2045913 | 9 | 22 November 1995 |
| SUN MICROELECTRONICS | 2055564 | 9 | 3 February 1996 |
| SUN SUN SUN MICROSYSTEMS SUN READY/SUN READY/SUN READY and Device | 2109006 | 9 | 2 September 1996 |

**ANNEX TWO**

| REGISTRATION NUMBER | MARK | SPECIFICATION OF GOODS/SERVICES |
|---|---|---|
| 1502653 | SUN | **Class: 09**<br>Computers, computer hardware, computer software; parts and fittings for all the aforesaid goods; all included in Class 9: but not including computer software used principally for accounting purposes. |
| 1256594 | | **Class: 09**<br>Computing apparatus; computer programmes. |
| 1502557 | | **Class: 09**<br>Scientific apparatus and instruments; computer apparatus and instruments; computer hardware; computer software; parts and fittings for all the aforesaid goods; all included in Class 9; but not including microscopes. |
| 1573491 | SUN SITE | **Class: 35**<br>Business management services; computerised database management; storage, retrieval and dissemination of computerised information relating to computer technology; all included in Class 35. |