

O-273-13

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2608034  
BY TERCEL OILFIELD PRODUCTS UK LIMITED  
TO REGISTER THE TRADE MARK**

**TERCEL**

**IN CLASSES 7, 9, 37 & 42**

**AND:**

**OPPOSITION THERETO UNDER NO. 103576  
BY D RICHARD G WILLIAMS**

## BACKGROUND

1. On 24 January 2012, Caledus Limited applied to register the word **TERCEL** as a trade mark. Following a change of name the application now stands in the name of Tercel Oilfield Products UK Limited (“the applicant”). The application was accepted and published for opposition purposes on 13 April 2012 for the following goods and services:

**Class 7** - Machines and machine tools for use in drilling, installation, construction and exploration in the oil and gas industry; apparatus for use in relation to drilling for oil and gas; apparatus, equipment and machines used in oil and gas exploration, drilling and production; apparatus for use in relation to installation, construction, maintenance or repair of oil and gas wells; apparatus for use in the cleaning of oil wells; well clean-up tools, namely circulation tools, casing scrapers and brush tools; completion and cementing equipment and apparatus; wellbore casing and liner installation apparatus; wellbore liner hangers and liner hanging apparatus and equipment; apparatus for use in relation to completion or cementation operations during well construction; apparatus for use in well deepening and multi lateral type completion operations during well construction; borehole drilling tools and apparatus; production apparatus for extracting fluids from the ground; drill pipe, drill pipe protectors, packers for wells; drilling, boring, cutting, abrading, grinding, reaming and cleaning apparatus for oil and gas wells; bits for drilling, boring, cutting, abrading, grinding, reaming and cleaning tools; drill shoes, guide shoes, casing shoes; cement shoes; reamers, drill bits; wellbore liner and casing; wellbore running tools; wellbore fishing tools; centralisers for use in the oil and gas industries; casings for downhole use; downhole tubulars and tools; casing drilling shoe for use in the oil and gas industries; drilling apparatus with casing for down hole use; cleaning machines for oil and gas industrial machines; core drilling bits; drill bits for rock drilling; drilling rigs, drilling machines and parts therefore; earth drilling machines; power-operated drilling rigs; oil field equipment, namely, drilling rig mechanization machines and devices; oil field equipment, namely, drilling rig mechanical handling machines and devices; oil-well pumping machines; tool bits for machines; well drilling machines; parts and fittings for all the aforesaid goods.

**Class 9** - Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, supervision, life-saving and teaching apparatus and instruments; measurement apparatus and instruments for use in oil and gas exploration; measurement apparatus and instruments for use in oil and gas production; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs for use in the oil and gas industry; calculating machines, data processing equipment and computers; fire-extinguishing apparatus; recorded media for use in the oil and gas industry; computer hardware and firmware; computer software, software downloadable from the Internet, downloadable electronic publications, compact discs, all for use in the oil and gas industry;

digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.

**Class 37** - Oil and gas well construction; installation, maintenance and repair services in relation to oil and gas well construction; oil and gas well drilling services; installation of oil production apparatus; installation of oil exploration instruments; rental of apparatus for use in the oil and gas industries, namely drilling platforms and drilling tools; well completion and remedial services; well clean-up and debris removal services; oil and gas industrial machine cleaning services; physical clean-up of exploration and drilling project locations to restore them to their original condition; wellbore installation; oil casing, tubing and drill pipe installation; pipe and drill installation; cementing during well construction; sealing of well liners; wirelining for oil wells; deployment of reeled risers during well construction; well deepening and multilateral type completions during well construction; casing design and operation during well construction; liner setting tool design and operation during well construction; installation services to decrease wellbore geometry; technical consulting related to the installation of oil and gas equipment, control systems, and machinery; advisory and consultancy services in relation to oil and gas extraction and all the aforesaid services.

**Class 42** - Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; analysis services for oil field exploration; exploration and searching of oil and gas; geophysical exploration for the oil, gas and mining industries; oil and gas well testing; oil and gas prospecting; oil and gas field surveys; analysis and diagnosis of chemicals, oils, gases, greases and lubricants; architecture, industrial design, analysis, testing and research services associated with oil and gas fields, oil workings and gas and oil installations, including providing the services of analysis, testing and research laboratories; geological research and exploration; geological surveys; land surveying; geological prospecting; operation of oil and gas fields; engineering drawings; technical documentation and reports and technical project studies; research in the field of environmental protection; research and development for others; underwater exploration; technical research; calibration (measuring); environmental protection; quality control; oil-well testing; materials testing; technical project studies; information, advisory and consultancy services relating to all of the aforesaid.

2. On 10 July 2012, Mr D Richard G Williams filed a notice of opposition directed against all of the goods and services in classes 7, 37 and 42 of the application and some of the goods in class 9. The following goods in class 9 are not opposed:

**Class 9** - Nautical, cinematographic, weighing, signalling, supervision, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling

electricity; calculating machines; fire-extinguishing apparatus; recorded media for use in the oil and gas industry; downloadable electronic publications, compact discs, all for use in the oil and gas industry; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use.

3. Mr Williams' opposition is based upon grounds under sections 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 ("the Act") for which he relies upon all of the goods in the following trade mark registration:

**UK TM no. 2594303** for the trade mark **Tercel** applied for on 10 September 2011 and registered on 23 December 2011 for:

**Class 9** - Scientific instrumentation for geophysical, geological and geographical measuring and surveying.

In his notice of opposition Mr Williams explains in some detail why he considers his goods to be identical or similar to the opposed goods and services; I will return to these comments later in this decision. In relation to the likelihood of confusion, Mr Williams stated, inter alia:

"22. The goods and services of the application are highly complementary to [his] goods. Complementary goods can be defined as those which are closely connected in the sense that one is indispensable or important for the use of the other, so that consumers may think that the same undertaking is responsible for both. In view of the complementary nature of the goods and services of the application it is inevitable that there will be confusion.

23. The parties operate in a specialised industry and therefore taking into account the identity between the trade marks, the users of the goods of [his] trade mark and the users of the goods and services of the contested application it is inevitable that the relevant public will incorrectly believe that the goods and services of the application are an extension of [his] goods and services or that the applicant is economically linked to [him]."

4. On 18 September 2012, the applicant filed a counterstatement in which it accepts that the competing trade marks are "identical and similar". It also accepted that as matters stood, certain goods and services in classes 9 and 42 of its application were identical/similar to the goods in Mr Williams' registration. However, it denied that the remainder of its goods and services were identical or similar to Mr Williams' goods. Any conflict in classes 9 and 42 was, in the applicant's view, overcome by its filing of a form TM21 to amend its specification in these classes by adding the following phrase:

“; but none of the aforementioned goods/services relating to scientific instrumentation for geophysical, geological and geographical measuring and surveying.”

5. In response to a letter from the Trade Marks Registry (“TMR”) dated 1 October 2012 which queried whether this amendment was sufficient to dispose of the opposition, Mr Williams confirmed that it was not.

6. Only Mr Williams filed evidence; the applicant filed submissions during the evidential rounds. At the conclusion of the evidence rounds, the TMR wrote to the parties. In that letter it said, inter alia:

“Although the parties have a choice of whether a hearing is held or the decision is taken from the papers, I consider that, in light of the grounds of opposition and the issues raised in these proceedings, a hearing would be more appropriate in assisting the hearing officer.”

Despite this indication, neither party asked to be heard; the applicant did, however, file submissions in lieu of attendance at a hearing; I will refer to these submissions as necessary below.

### **Mr Williams’ evidence**

7. This consists of two witness statements. The first is from Mr Williams who explains that he is the Chief Executive of Gamma Logging, a position he has held since January 2011. Prior to the creation of Gamma Logging, Mr Williams worked in the geophysical, drilling and logging industry and has, he states, designed, built and sold geophysical equipment, wireline equipment and other instrumentation to companies throughout the world. Mr Williams states that Gamma Logging:

“3...designs and supplies advanced spectral gamma systems for detection applications in the UK and overseas, including: geophysical equipment, geological exploration, geophysical research, drill-hole logging, drill sample logging, core logging, civil engineering, mining, radiological protection, radon protection, radon monitoring, portal inspection, wireline equipment, water well logging and positron emission tomography.”

He adds that Gamma Logging provides advice in relation to the applications mentioned above:

“4...to increase the value gained from drilling projects by assisting in the choice of applicable measurements, on site procedures, data analysis, interpretations and reporting.”

Gamma Logging also, explains Mr Williams, provides custom design services, rental services, servicing, spares and maintenance in relation to gamma ray and spectral gamma systems.

8. Exhibit KA1 consists of pages downloaded from [www.gammalogging.com](http://www.gammalogging.com) which appear to date from 2012. They indicate that Gamma Logging's: "spectral gamma system is a building block for many detection applications" such as homeland security, geological exploration, drill hole logging, drill sample logging, core logging, civil engineering, mining, radiological protection, radon detection, radon monitoring, portal inspection, positron emission topography, medical, education, research and astronomy. The pages also indicate that Gamma Logging provide a range of services including drill hole service logging, log interpretation, custom design of systems and equipment rental, repair and servicing. Mr Williams states:

"7. It is common for the company providing geophysical services, including research, consultancy, and design services, on site construction and analysis, and apparatus and equipment rental services, to concurrently manufacture and supply the necessary goods used for the provision of these services, such as machinery, tools, apparatus and equipment, as do Gamma Logging..."

At this point I remind myself that Mr Williams' opposition is based exclusively on his registered rights; there is no opposition based upon, for example, the law of passing-off.

9. In support of this statement Mr Williams provides the following exhibits:

- KA2 – consists of pages downloaded from the website of Schlumberger Limited ([www.slb.com](http://www.slb.com)) who Mr Williams describes as: "the market leader in drilling and logging"; the pages appear to date from 2012. Mr Williams states: "Schlumberger together with its subsidiaries, provides technological goods, alongside project management and information services, to the oil and gas exploration and production industries." On its website Schlumberger describes itself as, inter alia, "the world's leading oilfield services company supplying technology, information solutions and integrated project management that optimize reservoir performance for customers working in the oil and gas industry."
- KA3 – consists of a brochure from June 2006 produced by Schlumberger Water Services entitled: "Aquifer Characterization Using Advanced Borehole Geophysics" which Mr Williams states: "outlines geophysical services provided concurrently with signature tools by Schlumberger." The brochure is divided into three areas i.e. "Borehole Geophysical Technologies" which lists a range of "Schlumberger Signature Tools" i.e. magnetic resonance tools, high-resolution imaging tools, geochemical logging tools, dipole shear array sonic tools, modular dynamic tester tools and array resistivity tools as well as "Borehole Geophysical Services " and "Data Consulting Services."

- KA4 – consists of pages downloaded from the websites of Weatherford International ([www.weatherford.com](http://www.weatherford.com) and [www.weatherfordlabs.com](http://www.weatherfordlabs.com)) which Mr Williams describes as: “an alternative leading company within the drilling and logging industry; once again the pages provided appear to date from 2012. He adds that “Weatherford, together with its subsidiaries, provide a portfolio of products and services.” The following appears on Weatherford’s home page: “We have created a portfolio of drilling services and products that make well construction safer, reduce non-productive time and enhance reservoir deliverability.”
- KA5 – consists of what Mr Williams describes as: “three example Weatherford brochures which outline geophysical apparatus and instruments provided by Weatherford.” The brochures appear to date from 2012 and relate to a range of production logging tools, a borehole seismic sound source airgun and a capacitance array tool;
- KA6 – consists of pages downloaded from the websites of Halliburton ([www.halliburton.com](http://www.halliburton.com)), Southwest Oil Products, Inc ([www.swoil.com](http://www.swoil.com)) and TGT Oil ([www.tgtoil.com](http://www.tgtoil.com)) all of which appear to date from 2012 and which Mr Williams describes as: “further examples of companies involved in the concurrent supply of geophysical services and the goods used for the provision of these services.” Halliburton describes itself as: “one of the world’s largest providers of products and services to the energy industry...the company serves the upstream oil and gas industry throughout the lifecycle of the reservoir – from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production through the life of the field”. The pages from Halliburton’s website refer to a range of software services as well as to a number of downhole tools i.e. an adjustable gauge stabiliser tool, a cuttings bed impeller, a shock tool and a hydro mechanical drilling jar. The pages from Southwest Oil Product’s website, refer to a range of: “fluid-end components” as well as to repair solutions and onsite service solutions. The pages from TGT Oil’s website, refer to, inter alia, a Logging Crew which: “specialises in advanced production logging employing unique and proprietary data acquisition and interpretation technologies”, a Reservoir Study Group which: “provides consultancy to optimise reservoir development”, a Tool Factory which: “manufactures and maintains unique well logging tools” and a research centre which: “specialises in modelling various physical processes and developing well, reservoir and log modelling software.”
- KA7 – consists of pages downloaded from the applicant’s website ([www.terceloilfiled.com](http://www.terceloilfiled.com)) which also appear to date from 2012. The applicant refers to itself as being: “committed to delivering the highest quality engineering, design, manufacturing, sales, training and after sales support services.” The pages provided refer to six manufacturing facilities located throughout the world which manufacture a wide range of products including drill bits, roller reamers,

stabilisers and tools. The pages also refer to a predictive software tool that determines the mechanical strength and hardness of rock.

10. Mr Williams concludes his statement in the following terms:

“25. The provision of relevant goods concurrently with relevant services, within the same company or company structure, is common practice throughout companies in this field...”

11. The second statement is from Professor James David Last. Professor Last explains that he is a consultant engineer and expert witness at The Orchard House, a position he has held since 2005. He holds a BSc(Eng) from the University of Bristol, a PhD from the University of Sheffield and a DSc from the University of Wales. Professor Last has held a Personal Chair and was Head of the Radio-Navigation Group at the University of Wales until his retirement in March 2005 when he became a Professor Emeritus. He served as President of the Royal Institute of Navigation from 2005 to 2008, is a past President of the International Loran Association, a Fellow of the Institution of Engineering and Technology and a Chartered Engineer. Professor Last has published more than 400 technical and policy papers on navigation, communications and instrumentation systems, including the Global Positioning System (GPS), Loran-C and enhanced Loran (eLoran), Galileo and other global navigation satellite systems, maritime differential GPS, Argos, Decca, Navigator and Omega. He acts as a consultant on radio navigation, communications and instrumentation to companies and to governmental and international organisations. In 2010, Professor Last was awarded the Harold Spencer-Jones Gold Medal of the Royal Institute of Navigation. As Professor Last categorises himself as an expert witness, the remainder of his statement is reproduced below verbatim:

“4. The oil and gas exploration and production industries have been a driving force for many of the engineering and navigation systems that are fundamental to my professional experience. For this reason and my Presidency of the Royal Institute of Navigation, I have made many contacts in the onshore and offshore oil and gas exploration and production industries.

5. Scientific instrumentation for geophysical, geological and geographical measuring and surveying [i.e. Mr Williams’ goods] is used at all stages within the exploration and production drilling and logging industries, including for the purposes of drilling itself, exploration, analysis, monitoring and industrial production.

6. Such scientific instrumentation is commonly used as part of machines and machines tools to create the drill hole (directional drilling), to measure and monitor within the drill hole during drilling (measurement while drilling), is commonly used after drilling is complete (wireline logging), is commonly used during subsequent production (production logging) and is commonly used for permanent installations (in-situ logging). Such monitoring may only occur as part



of installing the drill hole or after installation of the drill hole using machines and machine tools.

7. In addition/in the alternative, such scientific instrumentation is used to take measurements required for the purposes of geological, geophysical and geometrical research and design. Such research and design is only possible (as accepted by conventional modern requirements and practices) once the data has been collected by the scientific instrumentation. The geological, geophysical and geotechnical research and design may result in further industrial installations using machines and machine tools.

8. Such scientific instrumentation is commonly capable of, and required for, collecting, recording, logging and processing data. Data is recorded, transmitted and reproduced in various ways. Data is commonly recorded to disc or flash memory within the instrumentation itself. Data is commonly transmitted via the drill hole or a wireline cable to the surface. The instrumentation is therefore, necessarily, usually computerised.

9. The data can then be transmitted or downloaded to an independent device for storage, calibration, presentations and analysis. This is performed by specialist software.

10. The end user in relation to geological, geophysical and geotechnical services, including research, consultancy and design services, on site construction and analysis, and apparatus and equipment rental services, and the goods necessarily used for the provision of these services, such as scientific instrumentation, machinery tools, apparatus and equipment are the same; exploration or production companies engaged in exploration, analysis, monitoring and industrial production of or from drill holes, bore holes or wells (water, oilfield or other).

11. The above described goods and services are all commonly developed by professionals working in the same field.

12. Further, it is common for the company providing the above described geological, geophysical and geotechnical services, to concurrently manufacture and supply the above described goods necessarily used for the provision of these services.

13. In the alternative, it is common for the above described geological, geophysical and geotechnical goods and services to be provided by a company together with its subsidiaries.

14. Geological, geophysical and geotechnical services, including research, consultancy, and design services, on site construction and analysis, and apparatus and equipment rental services, are highly complementary to scientific

instrumentation for geophysical, geological and geographic measuring and surveying, in that they are so closely connected that they are mutually indispensable.”

12. Tribunal Practice Notice (“TPN”) 2/2012 was published on 12 April 2012 and sets out the TMR’s approach to evidence from an expert witness. The TPN states, inter alia:

“There is generally little need in proceedings before the tribunal for an expert witness. The tribunal does not, for instance, require an expert to give an opinion as to how a word will be pronounced by an English speaker. Evidence will not be permitted which supplants the rôle of the decision maker eg evidence from a branding expert stating that there is, or is not, a likelihood of confusion or dilution.

There may be instances where, owing to the technical or specialised nature of the goods or services under consideration, that expert evidence about the way that the market operates may be helpful. However, it is considered that expert witness evidence will seldom be of assistance and permission for the adducing of expert witness evidence will therefore be the exception rather than the rule.”

13. The notice goes on to explain that the TMR’s approach to expert evidence will be similar to that outlined in the Civil Procedure Rules i.e. permission must be sought before such evidence can be put in. As I mentioned above, in his witness statement dated 3 January 2013 (i.e. well after the TPN mentioned above was published), Professor Last describes himself as an expert witness. Whilst as far as I am aware no permission was sought by Mr Williams to file expert evidence, the applicant had the opportunity to object to its admittance or to file evidence of its own in response; it did neither. It did, however, comment on Professor Last’s statement in its submissions (see below). Given the nature of the goods and services at issue, I intend to proceed on the basis that although permission was not sought by Mr Williams prior to the filing of this expert evidence, as the applicant did not object to it being admitted and commented upon it in its submissions, it is, in those circumstances, evidence which I can take into account when reaching a decision.

### **The applicant’s submissions of 8 March 2013 filed during the evidence rounds**

14. The following quotations provide a flavour of the applicant’s view of the opponent’s evidence:

“3... The substance of the witness statement relates in its entirety to how various third parties (including the applicant, the opponent and three completely unrelated parties) operate in the marketplace in relation to the concurrent provision of related goods and services. The relevance of this information is denied.”

In relation to paragraph 7 of Mr Williams’ statement which I reproduced above the applicant states:

“4...The relevance of this assertion to the present proceedings is completely denied.”

The applicant denies the relevance of the evidence of Professor Last and states:

“5...In particular, it is denied that the end users of the goods and services listed are the same and that the goods and services listed are commonly developed by professionals working in the same field...”

The applicant adds:

“14...Clearly the purpose of the opponent’s goods is exclusively measuring and surveying in very specific circumstances for very specific reasons. The main purpose of the applicant’s goods and services is to improve drilling and well construction in the oil and gas industry...”

### **The applicant’s submissions of 23 April 2013 in lieu of a hearing**

15. In relation to paragraph 7 of Mr Williams’ statement the applicant states:

“4. However, the applicant wishes to go further and assert in response that the opponent’s assertion is in fact incorrect. The respective commercial fields in which the applicant and opponent operate are highly specialised and technologically advanced. Therefore, it does not follow that because a particular entity manufactures a particular instrument for use in a specialised field that it also provides related goods or services...”

16. That concludes my summary of the evidence filed to the extent that I consider it necessary.

### **DECISION**

17. Sections 5(1), 5(2)(a) and 5(2)(b) of the Act reads as follows:

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

(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, or

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

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

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

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

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

19. In these proceedings Mr Williams is relying upon the trade mark shown in paragraph 3 above, which constitutes an earlier trade mark under the above provisions. Given the interplay between the date on which the application was published and the date on which Mr Williams’ registration completed its registration procedure, Mr Williams’ registration is not subject to proof of use, as per section 6A of the Act.

### **Section 5(2)(b) – case law**

20. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* -BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

#### **The CJEU cases**

Sabel BV v Puma AG [1998] RPC 199; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

## 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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

### **Comparison of trade marks/distinctive character of Mr Williams’ trade mark**

21. The competing trade marks are: Tercel and TERCEL i.e. presented in title and upper case. In its submissions dated 8 March 2013, the applicant admits that Mr Williams’ trade mark is identical to its trade mark; I agree. As to the distinctive character of Mr William’s trade mark this can be appraised only, first, by reference to the goods for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. As far as I am aware (and there is no evidence to the contrary), Mr Williams’ earlier trade mark is an invented word. As such, it is possessed of a high degree of inherent distinctive character.

### **The average consumer and the nature of the purchasing process**

22. The evidence and submissions indicate that the average consumer of the goods and services at issue will be a sophisticated one, who will, given the specialist nature of the goods and services at issue and their likely cost, pay a high degree of attention to their selection. However, as the competing trade marks are identical, there is nothing, regardless of how expensive the goods or services may be or how sophisticated the average consumer or the selection process may be, to distinguish between the competing trade marks.

### **Comparison of goods and services**

23. The leading authorities on how to determine similarity between goods and services are considered to be *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117 and *British Sugar Plc v James Robertson & Sons Ltd (Treat)* [1996] R.P.C. 281. In the first of these cases the CJEU accepted that all relevant factors should be taken into account including the nature of the goods/services, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The criteria identified in the *Treat* case were:

- (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 service;

(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 practice 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.

24. In reaching a conclusion, I will also keep in mind the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05 i.e.

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

25. In relation to what constitutes complementary goods and services, the comments of the Court of First Instance (now the General Court) in *Boston Scientific Ltd v OHIM* case T-325/06 are relevant i.e.

“82 It is true that 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 (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraNAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

Also of relevance in relation to complementarity are the comments of the Appointed Person (“AP”) Mr Daniel Alexander QC in *Sandra Amalia Mary Elliott and LRC Products Limited* (BL-O-214-13).

26. To check my understanding of the meanings of the words in Mr Williams' specification, I note that [www.collinsdictionary.com](http://www.collinsdictionary.com) contains the following definitions:

**“Geophysics** –noun - *functioning as singular* the study of the earth's physical properties and of the physical processes acting upon, above, and within the earth. It includes seismology, geomagnetism, meteorology, and oceanography.”

**“Geology** – noun - the scientific study of the origin, history, structure, and composition of the earth.”

**“Geography** – noun - the study of the natural features of the earth's surface, including topography, climate, soil, vegetation, etc, and man's response to them.”

27. I begin by reminding myself that in its submissions the applicant states that the main purpose of its goods and services “is to improve drilling and well construction in the oil and gas industry.” In his notice of opposition Mr Williams stated:

“4. The goods protected by [his] trade mark encompass a range of scientific instrumentation comprising of drill hole instruments (not drilling machines for making drill holes) which are designed to measure and record a range of physical, scientific, geological, geotechnical, geophysical, acoustic, visual, spatial and biological measurements. The measurements concern rock formations (their bulk properties and their layering) intersected by the drill hole, the inner surface of the drill hole, the fluid (typically water or mud) contained within the drill hole, the contents of the fluid, the cross-sectional shape of the drill hole, the path the drill hole takes in three dimensional space relative to a known datum and the total depth of the drill hole. This includes the possibility of actively testing by applying (or injecting) one or more forms of mechanical, pneumatic, hydraulic, acoustic, electrical, thermal, electromagnetic, radioactive or other force, energy or stimulus within the drill hole.”

28. In its counterstatement the applicant admitted that:

“Scientific, surveying and measuring apparatus and instruments; measurement apparatus and instruments for use in oil and gas exploration; measurement apparatus and instruments for use in oil and gas production” (in class 9);

and:

“Scientific services” (in class 42),

were identical or similar to Mr Williams' goods: “but only insofar as those goods are for geophysical, geological and geographical measuring and surveying.”



29. As I mentioned earlier, the applicant has added a limitation to classes 9 and 42 of its application. However, as classes 7 and 37 have not been limited in any way, I will deal with these classes first.

### **Classes 7 & 37**

30. In his notice of opposition Mr Williams stated in relation to the goods in class 7:

“15...The respective goods will be used by the same end user i.e. an exploration company, and are complementary to each other i.e. it is necessary for such machines or machine tools to have drilled a drill hole prior to using scientific instrumentation to take measurements and the respective goods are liable to be manufactured by the same undertakings which is supported by the fact that the applicant has applied for class 7 and class 9 goods.”

In relation to the services in class 37 Mr Williams states:

“16...[His] scientific instrumentation can be installed within a drill hole to undertake in situ monitoring. [His] goods, in this instance, may only be used when the [class 37] services have been undertaken. Accordingly, the contested services in class 37 are wholly complementary to the [his] goods. The services in class 37 and the goods of the earlier trade mark are aimed at the same end user i.e. an exploration company.”

31. Broadly speaking, the applicant's goods in class 7 are machines, machine tools, equipment and apparatus for use in the oil and gas industries, including such goods for use in, inter alia, drilling, installation, construction, maintenance, repair, production and exploration; the goods in class 7 will be used in the provision of the services in class 37; Mr Williams' goods in class 9 are a range of scientific instrumentation for use in geophysical, geological and geographical measuring and surveying.

32. The evidence shows that the users of both parties' goods and services may be the same i.e. those engaged in the oil and gas exploration, production, drilling and logging industries. While the physical nature and method of use of the competing goods may differ, and while as far as I am aware the goods are not in competition with one another, the evidence indicates that insofar as intended purpose is concerned, geophysical, geological and geographical measurement and surveying is used at all stages of oil and gas exploration, drilling, production etc. As to trade channels, Mr Williams' evidence indicates that it is common for companies in this specialist area of trade to provide a “portfolio” of products and services to those engaged in the above industries. While I accept the applicant's comments to the effect that this does not mean:

“that because a particular entity manufactures a particular instrument for use in a specialised field that it also provides related goods or services”,

bearing in mind the evidence provided, the guidance in *Boston Scientific* and the comments of the AP in BL-O-214-13 in relation to how the issue of complementarity should be approached, Mr Williams' goods in class 9 are, in my view, complementary to the applicant's goods and services in classes 7 and 37 and are, as a consequence, similar to at least a reasonable degree because there is, to use the word in *Boston Scientific*:

“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 [and services] lies with the same undertaking.”

### **Class 9**

33. Mr Williams opposes the following goods:

Scientific, surveying, photographic, optical, measuring apparatus and instruments; measurement apparatus and instruments for use in oil and gas exploration; measurement apparatus and instruments for use in oil and gas production; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs for use in the oil and gas industry; data processing equipment and computers; computer hardware and firmware; computer software, software downloadable from the Internet.

34. In his notice of opposition Mr Williams argues that:

Scientific, surveying, photographic, optical, measuring apparatus and instruments; measurement apparatus and instruments for use in oil and gas exploration; measurement apparatus and instruments for use in oil and gas production; apparatus for recording, transmission or reproduction of sound or images; data processing equipment and computers; computer hardware and firmware

are identical to his goods and that:

“magnetic data carriers, recording discs for use in the oil and gas industry; computer software, software downloadable from the Internet,

are similar. Mr Williams goes on to state:

“9. In particular, [his] goods are used for the exploration, monitoring and production of industrial applications such as oil and gas, oilfields, coal bed methane, tar sands, coal exploration and production, uranium exploration and production. [His] goods are capable of performing memory logging, wireline logging, production logging, logging while drilling and in situ monitoring...

10. [His] goods can be used to measure within and record depths of a drill hole, bore hole, well, oil and gas well, water well, shaft, underground mine, oilfield, subsea station, offshore exploration situation and for monitoring production related drilling. [His] goods are transported within a drill hole by a number of means including by wire rope, wireline cable or drill rods. Data is recorded independently and simultaneously on the surface and within [his] goods to flash type memory or to disc as appropriate.

11. The purpose of [his] goods is to collect and store data. Therefore there are elements of [his] goods which are computerised and are capable of storing data and processing data...”

In relation to “magnetic data carriers, recording discs for use in the oil and gas industry” Mr Williams states:

“12... [His] goods collect data which is stored on a memory flash chip (or chips) or magnetic disc, data from which can be downloaded to a computer or other device to interpret and calibrate the data. Therefore these goods are complementary to [his] goods.”

In relation to: “computer software, software downloadable from the Internet” Mr Williams states:

“13...The data collected from [his] goods either already exists on or is uploaded onto a computer and is processed by specialist computer software programmes to analyse, interpret, present, merge and otherwise manipulate the data.”

and:

“14...The respective goods are liable to be used by the industry (sic). Furthermore, given the technical and specialist nature of computer software in the industry it is likely to be developed by a professional working in the same field...”

35. As Mr Williams’ goods could employ photographic and optical means to perform their measuring and surveying function, they are, on the principles outlined in *Gérard Meric*, identical to: “scientific, surveying, photographic, optical, measuring apparatus and instruments” in the application. As “measurement apparatus and instruments for use in oil and gas exploration” and “measurement apparatus and instruments for use in oil and gas production” are broad terms which would include Mr Williams’ goods, they too are identical to Mr Williams’ goods on the *Meric* principle. As to the remaining goods which Mr Williams claims are identical i.e. “apparatus for recording, transmission or reproduction of sound or images; data processing equipment and computers; computer hardware and firmware”, I am prepared to accept that Mr Williams’ goods will usually be computerised and may, for example, process, record, transmit and store data, and that data will then be analysed and manipulated by specialist software. However, when the

words in Mr Williams' specification are given their natural meaning (see *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267), I am unconvinced that they are identical to these goods. That said, in relation to both the goods which I have found not to be identical and also to those goods which Mr Williams claims are similar to his goods i.e. "magnetic data carriers, recording discs for use in the oil and gas industry" and "computer software, software downloadable from the Internet", although the nature of the competing goods may differ, as all of the remaining goods may be used in relation to geophysical, geological and geographical measuring and surveying, the users of the competing goods may be the same and the goods may have similarities in their intended purpose and method of use. In addition, on the basis of the evidence provided which, as I mentioned above, shows that companies in this specialist area of trade provide a portfolio of products and services, I think that the remaining goods are complementary on the basis indicated above (particularly the recording discs for use in the oil and gas industry and the computer software) the latter of which may, for example, be used to control Mr Williams' goods or interpret the data they collect. Considered overall, I think there is at least a reasonable degree of similarity between those goods I have found not to be identical and Mr Williams' goods.

### **The class 9 limitation**

36. Ordinarily that would be the end of the matter insofar as the similarity of the competing goods in class 9 is concerned. However, as I mentioned earlier, the applicant has amended its application in this class by adding the following clause:

“;but none of the aforementioned goods relating to scientific instrumentation for geophysical, geological and geographical measuring and surveying.”

37. This limitation which will, in the applicant's view "remove the perceived overlap with [Mr Williams'] goods" has not been commented upon by Mr Williams. Whilst the words "relating to" are, in my view, somewhat vague, they should, I think, be construed as meaning connected or associated with (or similar). In those circumstances, the use of the words "relating to" would, in my view, only remove those goods which are connected or associated with Mr Williams' goods and not Mr Williams' actual goods themselves. The position may have been different had the applicant adopted a formulation such as "but none of the aforementioned goods being..." (or similar). However, even that is unlikely to have assisted. As an example, if the limitation mentioned is applied in the following manner:

“Measurement apparatus and instruments for use in oil and gas exploration and production; but none of the aforementioned goods being scientific instrumentation for geophysical, geological and geographical measuring and surveying”,

the goods which remain in the applicant's specification could still be a range of measurement apparatus for use in measuring other data in the oil and gas exploration and production industry and would be similar to Mr Williams' goods in any event. In

short, I do not think the limitation assists the applicants and my primary conclusion regarding the similarity of the competing goods in class 9 remains.

## **Class 42**

38. In relation to the services in class 42 which Mr Williams claims are similar to his goods he states:

“18. An example of when [his] goods will be used is when an exploration company employs a drilling contractor to create a drill hole, [his] goods will then be used to take the necessary measurements. Accordingly the services applied for in class 42 of the application are only possible once the data and measurements have been collected from [his] goods. Accordingly, the services are highly complementary to [his] goods. The respective goods and services are therefore aimed at the same end user.

19. Whilst the nature of the goods and services is not the same, it is likely that the end consumer will believe that they come from the same undertaking. In other words, the company which offers, for example, scientific and technological services and research is also in charge of the manufacture of the goods used for the provision of the services...”

The applicant’s services in this class include:

Analysis services for oil field exploration; exploration and searching of oil and gas; geophysical exploration for the oil, gas and mining industries; oil and gas well testing; oil and gas prospecting; oil and gas field surveys; architecture, industrial design, analysis, testing and research services associated with oil and gas fields, oil workings and gas and oil installations, including providing the services of analysis, testing and research laboratories; geological research and exploration; geological surveys; land surveying; geological prospecting; operation of oil and gas fields; oil well testing; advisory and consultancy services relating to all of the aforesaid.

39. As the evidence shows, the users of these services and Mr Williams’ goods are likely to be the same. As the intended purpose of the goods and services is also likely to be similar and bearing in mind the similarities in the trade channels I identified above, Mr Williams’ goods are, in my view, complementary to these services and, as a consequence, similar to at least a reasonable degree. The services which remain are as follows:

Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; analysis and diagnosis of chemicals, oils, gases, greases and lubricants; engineering drawings; technical documentation and reports and technical project studies; research in the field of environmental

protection; research and development for others; underwater exploration; technical research; calibration (measuring); environmental protection; quality control; materials testing; technical project studies; information, advisory and consultancy services relating to all of the aforesaid.

40. Although these terms are wide ranging, bearing in mind the applicant's comments regarding the purpose of its goods and services, it is clear that as matters stand all of these services could relate to, for example, improving drilling and well construction in the oil and gas industry and could be provided to those who operate in these industries. Viewed in that context, the users of the competing goods and services will be the same as may the intended purpose and trade channels. In view of the above, these services are, in my view, complementary to Mr Williams' goods and are again similar to a reasonable degree.

### **The class 42 limitation**

41. In relation to this class the applicant has offered the same exclusion mentioned above (albeit with the word services in place of the word goods). However, as all of the services may be provided in relation to drilling and well construction in the oil and gas industry, even if the limitation was considered to remove those services connected or associated with Mr Williams' actual goods (which is arguable), the resulting specification would still, in my view, include services which would be similar to Mr Williams' goods. For example, even if the limitation has the effect of limiting: "analysis services for oil field exploration" to those services which are not connected or associated with Mr Williams' goods, the services which remain would still be similar to scientific instrumentation measuring other datum similar to that of Mr Williams' goods. Once again, the limitation does not, in my view, assist the applicant.

### **Likelihood of confusion**

42. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. Ordinarily, it would also be necessary for me to factor in the distinctive character of Mr Williams' earlier trade mark as the more distinctive his trade mark is the greater the likelihood of confusion and to keep in mind the average consumer for the goods and services, the nature of the purchasing process and that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. However, as the applicant admits that the competing trade marks are identical, there is nothing regardless of how expensive the goods or services may be or how sophisticated the average consumer or the selection process may be, to distinguish between the competing trade marks. Rather, the outcome of this case is likely to turn on the similarity in the competing goods and services and the effect if any of the limitations made by the applicant to its specifications in classes 9 and 42. In the event, I have found that Mr

Williams' goods in class 9 are similar to the applicant's unlimited goods and services in classes 7, 9, 37 and 42 to at least a reasonable degree and that the limitations to the goods and services in classes 9 and 42 do not affect the position. In its submissions the applicant explains that it has used its trade mark since 2010 and that it has not encountered any incidents of confusion with Mr Williams' trade mark. However, as the applicant has not filed any evidence of the use it has made of its trade mark, nor is there any indication of the quantum of use Mr Williams may have made of his trade mark, this argument does not assist the applicant. In the event that I was against the applicant on its specifications as they stood i.e. with the limitations in classes 9 and 42, in its submissions the applicant provided further fall back specifications in these two classes. Whilst these further limitations do not assist the applicant, insofar as class 9 is concerned, I note that the applicant has actually offered to delete a number of items which Mr Williams did not oppose.

43. Where I have identified the goods in class 9 as identical, Mr Williams' opposition succeeds under section 5(1) of the Act. Where I have identified the goods and services as similar, bearing in mind the principle of interdependency, the identity in the trade marks is, in my view, sufficient to offset what I have categorised as the reasonable degree of similarity in the competing goods and services and will result in a likelihood of confusion; the opposition succeeds under section 5(2)(a) of the Act. In reaching the above conclusions, I have borne in mind the broad nature of some of the terms in the applicant's specifications, and I have, as per the guidance in TPN 1/12 – "Partial Refusal", considered whether it is appropriate to give the applicant an opportunity to offer limited specifications in classes 9 and 42 which might avoid the above conclusions. Paragraph 3.2.2(d) of that notice reads in part:

"...Generally speaking, the narrower the scope of the objection is to the broad term(s), compared to the range of goods/services covered by it, the more necessary it will be for the Hearing Officer to propose a revised specification of goods/services. Conversely, where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal",

44. However, given the applicant's own comments on the purpose of the goods and services of interest to it: i.e. "to improve drilling and well construction in the oil and gas industry", I have concluded that it is not appropriate to offer the applicant this opportunity.

## **Conclusion**

45. Mr Williams' opposition succeeds in relation to all of the goods and services in the application with the exception of the following goods which he did not oppose:

**Class 9** - Nautical, cinematographic, weighing, signalling, supervision, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; calculating machines; fire-extinguishing apparatus; recorded media for use in the oil and gas industry; downloadable electronic publications, compact discs, all for use in the oil and gas industry; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; clothing for protection against injury, accident, irradiation or fire; furniture adapted for laboratory use; but none of the aforementioned goods relating to scientific instrumentation for geophysical, geological and geographical measuring and surveying.

### **Costs**

46. Mr Williams has been successful and he is entitled to a contribution towards his costs. Awards of costs are governed by Annex A of TPN 4/2007. Using that TPN as a guide, I award costs to Mr Williams on the following basis:

Preparing a statement and considering the applicant's statement:	£300
Preparing evidence	£500
Opposition fee	£200
<b>Total:</b>	<b>£1000</b>

47. I order Tercel Oilfield Products UK Ltd to pay to Mr D Richard G Williams the sum of **£1000**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 4th day of July 2013**

**C J BOWEN**  
**For the Registrar**  
**The Comptroller-General**