

BL O/043/19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 3272672

BY

HASCO THERMIC LTD

TO REGISTER THE FOLLOWING TRADE MARK:

HASCO Smart Firing IN CLASS 9

AND

OPPOSITION THERETO (NO. 412073)

BY

HASCO HASENCLEVER GMBH + CO KG

Background and pleadings

1. Hasco Thermic Ltd (the applicant) applied to register the trade mark:

Hasco Smart Firing

in the UK on 23 November 2017. It was accepted and published in the Trade Marks Journal on 29 December 2017, in respect of the following goods:

Class 09: Software for temperature control.

2. HASCO Hasenclever GmbH + Co KG (the opponent) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act). The opposition is based on an earlier European Union Trade Mark (EUTM), namely:

EUTM 1037357, filed on 07 January 1999 and registered on 17 August 2000, for the mark:

Hasco

The opponent's earlier mark is registered in several classes, however, for the purposes of this opposition, the opponent relies only on a part of the goods covered under the class 09 specification of its earlier EU mark, namely:

Class 09: Electronic control apparatus, in particular for the temperature control of casting bushes and hot runners; parts for the aforesaid goods.

3. The opponent claims the goods at issue are the same or highly similar and the marks are highly similar.
4. In its counterstatement, the applicant states that the marks and goods are not similar and confusion or association would not arise.

5. The opponent provided evidence and written submissions which will not be summarised here, but will be referred to later in this decision if necessary.
6. No hearing was requested and so this decision is taken following a careful perusal of the papers.
7. Throughout the proceedings the applicant has represented itself. The opponent has been represented by Venner Shipley LLP.

Decision

Section 5(2)(b) of the Act

8. 5(2)(b) of the Act states:

“(2) A trade mark shall not be registered if because –

(a) ...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

9. The following principles are gleaned from the decisions of the Court of Justice of the European Union (“the CJEU”) in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

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

Comparison of goods and services

10. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

11. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity 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.

12. In *Gérard Meric v Office for Harmonisation in the Internal Market ('Meric')*, Case T- 133/05, the General Court stated that:

“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 trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

13. The parties' respective specifications are:

Earlier mark	Application
Class 09: Electronic control apparatus, in particular for the temperature control of casting bushes and hot runners; parts for the aforesaid goods.	Class 09: Software for temperature control.

14. The earlier goods '*Electronic control apparatus, in particular for the temperature control of casting bushes and hot runners; parts for the aforesaid goods*' are electronic items which have a control functionality. The use of the term '*in particular*

for ...' does not limit the fairly broad term '*electronic control apparatus*'. These goods clearly have the functionality to control temperature and are used for such a purpose, at least in respect of casting bushes and hot runners.

15. The applied for goods '*Software for temperature control*' are software products designed to perform the function of temperature control. The software at issue has not been limited to temperature control of any specific piece of equipment, technology or apparatus, and may potentially therefore be used to control the temperature of casting bushes and hot runners.

16. Electronic control apparatus will generally be technical in nature, requiring software to operate correctly. The applied for software may therefore be considered to be a part of the apparatus and integral to the effective running of that apparatus. As such, the goods at issue must be compatible and can be said to be complementary, as one cannot operate without the other. These goods may also share end-user, purpose and channels of trade.

17. In the evidence submitted by the opponent, extracts from several businesses in the relevant trade are provided¹. These extracts show manufacturers of apparatus for temperature control selling both the apparatus and the software that works with those goods. The software can be purchased together with the apparatus, as a pre-installed element of those goods, and/or can be purchased separately from the apparatus and installed/downloaded later by the consumer.

18. The goods at issue are therefore considered to be similar to a high degree.

Average consumer and the purchasing act

19. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

¹ Exhibit CS1 pages 1-13

20. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

21. To my mind, the average consumer of electronic apparatus and software for temperature control will generally be a professional consumer in the relevant industry or business sector. However, it is also possible that a member of the general public may also purchase such goods, e.g. software in the form of an ‘app’ that can be used to control the temperature in domestic/residential property, using smart heating thermostats.

22. The average professional consumer will purchase the goods at issue from specialist retail outlets and specialist websites online. The general public consumer will likely purchase software applications online through a specialist undertaking. The selection of these goods will be largely a visual process, with the average consumer having taken time in the selection of the appropriate product through research online, perusing catalogues and other printed matter, but also aurally, through discussion with sales assistants and appropriate experts.

23. As the goods at issue are day to day items for the professional consumer, the level of attention paid by that consumer will be average. The opponent has stated in submissions that this is the likely level of attention that will be paid in the selection of such goods. For that consumer who is not a professional, a higher level of attention may be paid during the selection of such technical goods.

Comparison of marks

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

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

25. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

26. The respective trade marks are shown below:

Earlier mark	Contested trade mark
Hasco	Hasco Smart Firing

27. The opponent's mark is comprised solely of the word 'Hasco'. The overall impression of the mark lies in that single word.

28. The applicant's mark is comprised of the words 'Hasco Smart Firing'. The word 'Hasco' appears to be an invented term with no obvious meaning. The words 'Smart Firing', when considered in the context of temperature control apparatus and software, may be perceived as conveying a descriptive message. Consequently, the overall impression of the applied for mark is dominated by the word 'Hasco'.

Visual similarity

29. Visually, the respective marks are similar inasmuch as they share the element 'Hasco'. They differ visually in the words 'Smart Firing' of the later mark which have no counterpart in the earlier mark. As the shared element 'Hasco' forms the whole of the earlier mark and the beginning of the later mark, these marks are considered to be visually similar to a medium degree.

Aural similarity

30. Aurally, the earlier mark 'Hasco' is wholly contained within the later mark. The marks differ aurally in the words 'Smart Firing' of the later mark, which have no counterpart in the earlier mark. As the shared element 'Hasco' comprises the whole of the earlier mark and the first verbal element of the later mark, the marks are considered to be aurally similar to a medium degree.

Conceptual similarity

31. The earlier mark is comprised solely of the word 'Hasco' which is an invented term with no meaning in English. As such the earlier mark conveys no conceptual message at all.

32. The later mark also contains the term 'Hasco' which has no concept. The other elements of the later mark, 'Smart' and 'Firing' are English words that can be said to have a meaning. The word 'Smart' is commonly used to refer to a degree of intelligence in technology and IT apparatus and equipment, e.g. a Smart phone is now a generic form of cellular mobile telephone with enhanced functionality. Smart Televisions can be used to access the internet and download or stream content

directly to the television. The word 'Firing' is commonly used in the context of boilers, and talking of 'firing up' a boiler is readily understood language in the respective field. In totality the expression 'Smart Firing' will be perceived, by a professional consumer, as referring to a method of starting up a boiler in a smart or intelligent way, using technology to raise temperature.

33. As the common element between the marks has no concept, the marks are not conceptually similar.

Distinctive character of the earlier trade marks

34. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

35. The opponent has made no claim that its earlier mark has acquired an enhanced degree of distinctive character. I must therefore assess the mark purely on its inherent distinctive character.

36. In *Kurt Geiger v A-List Corporate Limited*, BL O/075/13, Mr Iain Purvis Q.C., sitting as the Appointed Person, observed that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything, it will reduce it.”

37. The earlier mark 'Hasco' is an invented term which has no meaning in the English language. As such it can be said to enjoy a higher than normal degree of inherent distinctive character.

Likelihood of Confusion

38. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

39. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related).
40. The marks have been found to be visually and aurally similar to a medium degree and sharing no conceptual similarity at all.
41. The goods at issue have been found to be similar to a high degree.
42. The goods concerned are technical in nature but, in respect of a professional consumer, can be considered to be day to day products. As such, the level of attention being paid by the consumer during the selection process will generally be no higher than normal. For the non-professional consumer, the level of attention displayed during the selection of such goods may be higher than normal.
43. During the selection process the visual impact of the marks will carry most weight, however the aural impression cannot be dismissed.
44. The similarities between the marks rest identically in the word 'Hasco', which can be said to be the only distinctive element in the later mark, whilst comprising entirely the earlier mark. The word 'Hasco' has also been found to be the dominant element of the later mark.
45. The dissimilarity between the marks lies solely in the words 'Smart Firing' of the later mark, which have been found to be descriptive and lacking in distinctive character. The average consumer of the goods at issue will give little weight to the element 'Smart Firing' in the later mark, but will focus predominantly on the word 'Hasco' in that mark, as it forms the beginning of, and is the dominant element in that mark. It is also the case that the word 'Hasco' has been found to be an invented word that is inherently distinctive to a higher than average degree.

46. Taking all of the aforesaid into account, I am satisfied that direct confusion will occur i.e. the relevant public will mistake the earlier mark for the later one, or vice-versa.

47. In the event that I am wrong in my finding of direct confusion, I now go on to consider the matter in respect of indirect confusion.

48. Mr Iain Purvis QC, sitting as the Appointed Person, in L.A. Sugar Limited v By Back Beat Inc, Case BL-O/375/10 noted that:

“16. ...Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

49. These examples are not exhaustive, but provide helpful focus.

50. For the relevant public that may notice the differences between the marks at issue, I find that the invented term ‘HASCO’ is strikingly distinctive and, as such, will be perceived to be a house mark. The addition of the element ‘Smart Firing’ would be perceived merely as an evolution of that house mark or a brand extension from the same undertaking. I find therefore that indirect confusion would also arise in this matter.

Conclusion

51. As I have found that there is there is a likelihood of confusion the opposition is successful. Subject to appeal, the application is refused for all of the applied for goods.

Costs

52. The opponent has been successful and is entitled to a contribution towards its costs. I note that the initial opposition incurred an official fee of £200 as it was based on grounds of Section 5(2)(b) and Section 5(3). The opponent subsequently chose to withdraw the opposition in respect of Section 5(3) and is therefore not entitled to an award reflecting that ground of opposition.

53. I bear in mind that the relevant scale is contained in Tribunal Practice Notice (“TPN”) 2/2016. I award costs to the opponent as follows:

Official opposition fee	£100
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Preparing the statement of case and	
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Considering the counterstatement	£200
Preparing submissions and evidence	£500
<u>Total</u>	<u>£800</u>

54. I therefore order Hasco Thermic Ltd to pay HASCO Hasenclever GmbH + Co KG the sum of £800. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 22nd day of January 2019

**Andrew Feldon
For the Registrar
The Comptroller-General**