TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 1458890 BY
SHIMA SEIKI MFG LTD TO REGISTER A MARK
IN CLASS 7

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 37693
BY DEREK TINEY LIMITED

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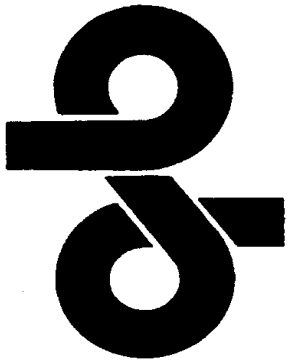
DECISION

On 20 March 1991 Shima Seiki Mfg. Ltd of Japan applied under Section 17 (1) of the Trade Marks Act 1938 to register the following mark for a specification of goods which reads "Knitting machines and apparatus; computer-controlled knitting machines; parts and fittings for all the aforesaid goods; all included in Class 7":-



The application is numbered 1458890.

On 17 November 1993 Derek Tiney Ltd of Leicester filed notice of opposition to this application.

The opponents say that they are the proprietor of registration No. 855028 (see below for details) and have used this mark for many years. As a result objection arises as follows:-

(i) under Section 11 in that use of the mark applied for is likely to deceive or cause confusion

(ii) under Section 12(1) by reason of the registration referred to

No.	Mark	Class	Journal	Specification
855028		7	4484/1274	Machines for use in the textile industry and parts and fittings therefor included in Class 7.

Furthermore the opponents note that the applicants claim concurrent use but say that such use cannot be honest within the terms of Section 12(2). They also say that the mark is not a registrable mark within the meaning of the Act but offer no further particularisation of this ground of objection beyond the above specified grounds. Finally the opponents ask the Registrar to refuse the application in the exercise of his discretion.

The applicants filed a counterstatement denying the above grounds.

Both sides ask for an award of costs in their favour. Both sides filed evidence in these proceedings and the matter came to be heard on 7 April 1999 when the opponents were represented by Mr T Mitcheson of Counsel instructed by Lewis & Taylor, Trade Mark Attorneys and the applicants by Mr R B Thomson of W P Thompson & Co, Trade Mark Attorneys.

By the time this matter came to be heard, the Trade Marks Act 1998 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. These proceedings having begun under the provisions of the Trade Marks Act 1938 however, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the 1994 Act. Accordingly, all references in this decision are references to the provisions of the old law, unless otherwise indicated.

Opponents' Evidence

The opponents filed seven statutory declarations as follows:

Derek James Tiney	-	6 December 1994
Alfred Edward Mitchell	-	20 January 1995
David Caldwell	-	26 January 1995
Roger Alan Burrows	-	20 January 1995
Colin Varney	-	23 January 1995
Stephen John Marks	-	6 February 1995
Derek Robert Cooper	-	6 March 1995

Mr Tiney is the Chairman of Derek Tiney Ltd. He says that the company was founded in 1963 and traded initially as a partnership before being incorporated in October 1973. He has been a

Director since that time and Chairman since 1990. He describes his company's business in the following terms:

> "My company trades mainly in machines for use in the textile industry, particularly knitting machines. Part of my company's business is formed by the importation from abroad of such machines and spare parts therefor for re-sale to its customers, and my company is now (or has been in the past) the exclusive UK distributor for a number of foreign manufacturers of such machines. At the moment, my company is the UK/Irish distributor inter alia for Mitsuboshi Seisakusho Limited of Tokyo, Japan and for Gebrueder Scheller GmbH of Eislingen, Germany, both of whom are major competitors of Shima Seiki in the area of flat bed knitting machines. Under another part of its business, my company purchases second-hand machines and reconditions them for re-sale as used equipment. My company also accepts machinery for servicing. It is perfectly possible that my company could handle second-hand machines of Shima Seiki during the normal course of its business".

The logo mark is said to have been used since 1963. Examples of stationery bearing the mark are exhibited (DJT1).

Annual turnover in the period leading up to March 1991 is given as follows:

1990	£3.83m
1989	£6.64m
1988	£4.89m
1987	£6.61m
1986	£6.46m

Of this, about 90%-95% is machinery imported from abroad, while approximately 5%-10% results from the sale of used equipment.

Advertising and promotional expenditure is said to be:

1990	£ 6,700
1989	£14,700
1988	£14,200
1987	£ 7,400
1986	£ 3,000

Samples of promotional material bearing the mark are exhibited (DJT2) along with a selection of advertisements from various trade journals (DJT3) and brochure stickers (DJT4). In-house exhibitions have been organised over the years to promote the goods. A listing of these exhibitions is at Exhibit DJT5. Finally Mr Tiney says that the logo appears on the goods themselves. He exhibits (DJT6) a selection of labels and plates relating thereto.

Next it will be convenient to deal with Mr Cooper's declaration. He is a partner in E N Lewis & Taylor, the opponents' representatives in these proceedings. He describes a questionnaire survey he conducted in the latter part of 1994. Briefly

- the questionnaires were directed at knitwear and hosiery manufacturers chosen because they were likely to be familiar with the goods both of the application under attack and of Derek Tiney Ltd.

- the selection of companies was made from Yellow Pages for geographical areas known for their activity in knitwear and hosiery. Specifically these were Leicestershire (16), Sutton-in-Ashfield region (13), Hawick area (4) and Strabane area (7).

- the addresses are said to have been selected at random with "some emphasis given to those companies already known to my firm".

- some 40 questionnaires were sent out and 17 replies received.

Mr Cooper divides the responses into four categories as follows:-

"1. The respondent considered that the trade mark depicted at question 2.1 was that of Derek Tiney Limited (whereas it was in fact the trade mark that is the subject of the opposed application) - 7 replies.

2. The respondent did not recognise the trade mark depicted at question 2.1, but did recognise the trade mark depicted at question 3.1 as being that of Derek Tiney Limited and expressed a view as to the confusability of the two marks - 2 replies.

3. The respondent did not recognise the trade mark depicted at question 2.1, did recognise the trade mark depicted at question 3.1 as being that of Derek Tiney Limited, but had not confused the two marks or did not express a view on this point - 5 replies.

4. The respondent did not recognise the trade mark depicted at question 3.1 as being that of Derek Tiney Limited - 3 replies."

All 9 respondents in the first two categorise were then invited to incorporate their responses in statutory declarations. Five executed declarations were subsequently received. Copied of the replies in the other categories are also exhibited (DRC2 and DRC3). The remaining declarations are from the five respondents referred to above. I do not propose to deal with these at this point but will refer briefly to this evidence when reaching my own decision. However a typical example of a completed questionnaire is in the Annex to this decision which serves also to show the questions asked.

Applicants' Evidence

The applicants filed a statutory declaration dated 25 March 1997 by Roger Bruce Thomson, a partner in W P Thompson & Co., their professional representatives in these proceedings. The purpose of his declaration is to have admitted into these proceedings a statutory declaration by

John Zimet, the then General Manager of Shima Seiki Europe Ltd filed during the prosecution of the application.

Mr Zimet says that Shima Seiki Europe Ltd (SSE) is the European technical service centre and UK distributor for products made by Shima Seiki Mfg. Ltd. SSE is said to have sold goods in this country bearing the "loop" device trade mark since 1986.

Use of the trade mark has been on knitting machines and their parts and accessories. The annual sales turnover of goods sold in the United Kingdom under the said trade mark for the years 1985-86 to 1991-92 are given as:

1986/87	£408,668
1987/88	£5,794,760
1988/89	£5,863,873
1989/90	£3,087,065
1990/91	£4,294,461
1991/92	£6,570,030

In the years 1985/86 and 1986/87 the Japanese parent company Shima Seiki Mfg. Ltd sold goods in the United Kingdom bearing the said trade mark directly through their then United Kingdom agent Kennedy Wagstaff Ltd.

Annual figures for such sales are given as:

1985/86	£2,620,000
1986/87	£6,389,000

The trade mark is said to appear prominently on all machines on for example name plates as well as in data sheets and technical publications.

Mr Zimet says that knitting machines bearing the "loop" device trade mark have been advertised in the United Kingdom in the journal "Knitting International" (formerly The Hosiery Trade Journal). A double-page advertisement, usually on the inside front cover and facing page, has appeared in at least the majority of issues of this journal since September 1985. The journal is published monthly and is said to be the leading technical/management journal for hosiery, underwear, knitwear and knitted fabric manufacturers. He exhibits (A) copies of the said advertisement from the issues of September 1985 and May 1988 as examples. Additionally the mark has been used on displayed knitting machines at exhibitions in this country such as INTERKNIT 1989. The mark has been used on all notepaper, invoices etc. used by the company since at least as early as 1985 and is regarded as a house mark. Finally Mr Zimet says that other "loop" device marks are used in the textile industry in the United Kingdom but he has no knowledge of any confusion having arisen as a result of this during the last seven years or so.

That completes my review of the evidence.

Sections 11 and 12 of the Act read as follows:-

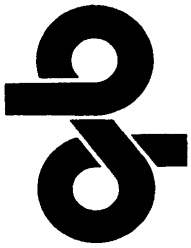
> "11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.
>
> 12.-(1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of:-
>
> a. the same goods
> b. the same description of goods, or
> c. services or a description of services which are associated with those goods or goods of that description."

The reference in Section 12(1) to a near resemblance is clarified by Section 68(2B) of the Act which states that references in the Act to a near resemblance of marks are references to a resemblance so near as to be likely to deceive or cause confusion.

The established tests for objections under these provisions are set down in Smith Hayden and Company Ltd's application (Volume 1946 63 RPC 101) later adapted, in the case of Section 11, by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand, these tests may be expressed as follows:-

> **(Under Section 11)** Having regard to the user of the mark ((a) below), is the tribunal satisfied that the mark applied for, ((b) below), if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?
>
> **(Under Section 12)** Assuming user by the opponents of their mark in a normal and fair manner for any of the goods covered by the registration of that mark, is the tribunal satisfied that there will be no reasonable likelihood of deception amongst a substantial number of persons if the applicants use their mark normally and fairly in respect of any goods covered by their proposed registration?

The opponents' specification of goods (No. 855028) covers machines for use in the textile industry. Although that term goes rather wider than the applicants' knitting machines etc I do not think there can be any doubt that identical and/or very closely similar goods are involved. The matter, therefore, turns on the marks themselves. For ease of reference I set these out below:

(a)	(b)
Opponents' mark	Applicants' mark
	

Taking the Section 12 objection first I was referred at the hearing to the test laid down by Parker J in the PIANOTIST case 1906 RPC 774:

> "You must take the two words. You must judge of them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say - not necessarily that one will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public, which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case."

Although the above test is framed in terms of word marks the basic principles hold good for other types of mark as well. At the hearing Mr Thomson made a number of detailed submissions in relation to the comparison of marks. He considered that the marks could be distinguished because the applicants' was in the form of a figure eight or an S shape with extended arms and a vertical axis of symmetry compared to the three loop shape of the opponents' mark. I accept that the marks can be distinguished on the basis of a side by side comparison but it is of course well established that this is not how the matter should be approached - see for instance the following passage from De Cordova v Vick 1951 RPC 103:

> "The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered by general impressions or by some significant detail than by any photographic recollection of the whole".

In this respect I note that in the applicants' own evidence Mr Zimet refers to his company's mark as being a "loop" device. If that is true of the applicants' mark it is no less so with the opponents' mark. It is certainly my view that it is the loop effect which is the feature by which both marks are likely to be remembered. The fact that one mark has two loops as opposed to three or is black on a white background as against white on black and set within a square does not significantly affect the overall impression created. I note that Mr Zimet refers to the fact that other 'loop' device marks are used in the textile industry. However this claim has not been substantiated and I can, therefore, give it no weight.

I, therefore, have little hesitation in reaching the view that the opponents succeed under Section 12(1). That is not an end to the matter because the applicants say that they are entitled to benefit from the honest concurrent use provisions of Section 12(2). Before I consider this I should briefly record my views on the Section 11 position not least because the opponents have filed a good deal of material including questionnaire evidence in support of their case.

This is not a case where substantially different considerations arise under Section 11 as opposed to Section 12. The evidence confirms that the opponents are active in precisely the goods' area of interest to the applicants. The opponents use their mark in a number of slightly different formats that is to say both on its own; in conjunction with the company name (but in such a way that the device is clearly a stand alone trade mark); in black on white as well as the registered form; and with the device depicted in outline form. A variety of material, advertisements etc., dating back to the mid 1960s testifies to the length of time that the mark has been used.

The questionnaire survey, the outcome of which, is referred to in the evidence summary is certainly not immune from criticism. Mr Thomson rightly in my view pointed to a number of weaknesses

- some of the firms were known to the opponents and all the respondents who subsequently filed statutory declarations appear to be from the Leicester area where the opponents are based

- as completion of the questionnaire was not supervised it is impossible to say whether the covering instructions were followed.

- the covering letter and a number of the questions asked are in my view likely to prompt respondents to consider the possibility of confusion and/or to invite speculation. The presence of representations of both parties' marks in the questionnaire carries the risk of implanting ideas.

In fairness to the opponents Mr Mitcheson also conceded that it was not a comprehensive survey. A number of the respondents indicated that they would be confused. Quite how deep seated this confusion might be is difficult to gauge as a number of the replies refer to the respondents' impressions 'at first sight' or similar words and one individual appears to acknowledge at the end of the form that he had incorrectly taken the applicants' logo to be that of the opponent. Against this it is of course sufficient for Section 11 purposes if there is cause to wonder (see Jellinek's Trade Mark 1946 RPC 59 at page 78 and Hack's application 1941 RPC 91 at page 102) even if there is not ultimate confusion.

On the whole it seems to me that there are imperfections in the questionnaire evidence and imprecision in the responses which are probably not capable of resolution in the absence of cross-examination. The results of the questionnaire evidence, therefore, are not conclusive but lend some further support to the opponents' case with the result that they succeed also under Section 11.

This brings me to the applicants claim under Section 12(2) which reads:-

> "12(2) In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or the Registrar make it proper so to do, the court or the Registrar may permit the registration by more than one proprietor in respect of:-
>
> a. the same goods

b. the same description of goods or
c. goods and services or descriptions of goods and services which are associated with each other,

of marks that are identical or nearly resemble each other, subject to such conditions and limitations, of any, as the Court or Registrar, as the case may be, may think it right to impose."

The main matters for consideration under Section 12(2) were laid down by Lord Tomlin in Pirie's Trade Mark 1933 RPC 147. They are:-

(i) the extent of use in time and quantity and the area of trade;

(ii) the degree of confusion likely to ensue from the resemblance of the marks, which is, to a large extent, indicative of the measure of public inconvenience;

(iii) the honesty of the concurrent use;

(iv) whether any instances of confusion have been proved;

(v) the relative inconvenience which would be caused if the mark in suit was registered, subject if necessary to any conditions and limitations.

As indicated earlier the applicants have relied for this purpose on the evidence filed during the course of the examination process. There has been no further elaboration of their case and the only examples of their mark in use are those contained in Exhibit A to Mr Zimet's declaration, that is to say two advertisements from the September 1985 and May 1988 issues of the Knitting International journal. The form and context in which the mark appears in each of the advertisements is as follows:-

Although Mr Zimet refers in his declaration to use of the mark, meaning presumably the mark applied for, he provides nothing to indicate that the loop device mark is ever used on its own. On the strength of the only evidence available to me I have to conclude that the device is always used with the words SHIMA SEIKI. Furthermore the words seem to be the dominant element of the mark. The application of the PIRIE criteria must be seen in this context. Although the applicants can point to some six years use up to the material date and a scale of use which is roughly comparable to that of the opponents this appears to have been use of their composite mark (words and device). Even accepting that such use is honest (as I do) it

is not possible to draw any meaningful conclusions as to the degree of confusion likely to ensue because the applicants have simply not exposed the trade/public to the device mark on its own. It also follows that it is unsurprising that no actual instances of confusion have been proved. I note in passing that the nature of the applicants' use might also explain the apparent absence of recognition of their device mark in the responses to the opponents' questionnaires. In terms of the relative inconvenience to the parties if the mark was registered the balance must clearly fall on the opponents' side. The applicants do not rely on the device mark applied for as a stand alone mark whereas the opponents do in large measure rely on their device. If I have understood the opponents' position correctly they have no quarrel with the applicants so far as their composite mark is concerned. However if I were to allow the applicants' mark to proceed they would be entitled to use it on its own and for the reasons already given I consider that that would result in a real risk of confusion with the opponents' mark. In the event, therefore, the applicants' claim under Section 12(2) does not succeed. In the circumstances I do not need to consider the opponents' request for exercise of the Registrar's discretion.

As the opposition has been successful the opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £635.

Dated this 21 day of April 1999

M REYNOLDS
For the Registrar
The Comptroller General

ANNEX

QUESTIONNAIRE

This questionnaire comprises a total of 17 questions on 4 pages. The questions on page 1 are designed to establish your identity and experience in the trade: the remaining questions refer to the matter at hand.

Please consider the pages in turn, and do not read the questions on subsequent pages before answering the questions on each one.

Information given may (with your consent) be submitted to the Trade Marks Registry.

Thank you for your co-operation in this matter.

1.1 Please state your full name and address.

ALFRED EDMUND MITCHELL
C/O MEDELLA (UK)
179. FOSSE ROAD NORTH. LEIC LE3 5EZ

1.2 Please state the full name and address of your company.

MEDELLA (UK)
179. FOSSE ROAD. NORTH. LEICESTER LE3 5EZ

1.3 Please state your position within the company.

PARTNER

1.4 For how long have you held that position?

18 YRS

1.5 What is the general nature of your duties?

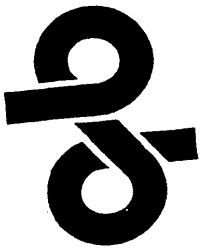
ADMINISTRATION OF THE ABOVE COMPANY

1.6 For how long (approximately) have you been engaged in such work?

18 YRS

Please answer all of these questions and initial this page before proceeding to read the next page.

2.1 In connection with your line of business, do you associate the following symbol with any particular company? If so, then please identify the company and products concerned.



AT FIRST SIGHT IT WOULD APPEAR TO BE PART OF A LOGO USED BY :-

DEREK TINEY.
H/C AGENTS & MANUFACTURERS
LEICESTER

2.2 Please give reasons for your answer to question 2.1.

IT IS PART OF THEIR COMPANY LOGO.

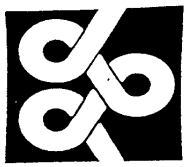
2.3 To the best of your knowledge and belief, would your answer to question 2.1 have been the same as at 20 March 1991?

YES

2.4 If your answer to question 2.3 is "No", please state the reasons for this.

Please answer all of these questions and initial this page before proceeding to read the next page.

3.1 In connection with your line of business, do you associate the following symbol with any particular company? If so, then please identify the company and products concerned.



DEREK TINGEY
HOSIERY MACHINE SUPPLIER
& HOSIERY ACCESSORIES

✓ Nil

3.2 Please give reasons for your answer to question 3.1.

I HAVE BUSINESS DEALINGS WITH THIS FIRM
ALL THEIR CORRESPONDENCE CARRIES THIS MARK.

✓ Nil

3.3 To the best of your knowledge and belief, would your answer to question 3.1 have been the same as at 20 March 1991?

YES

✓ Nil

3.4 If your answer to question 3.3 is "No", please state the reasons for this.

Please answer all of these questions and initial this page before proceeding to read the next page.

4.1 If both of the symbols are meaningful to your line of business, have you ever confused one for the other?

I HAVE NEVER COME ACROSS THE SYMBOL IN 2.1. IN ANY CAPACITY

4.2 If your answer to question 4.1 is "Yes", then please state the circumstances in which the confusion arose.

/

4.3 Are there any further observations or comments you would like to make?

NO

Signed: .....

Date: 21/12/94