

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

**IN THE MATTER OF APPLICATION No 1551892
BY TITAN INDUSTRIES LIMITED TO REGISTER
A TRADE MARK IN CLASS 14**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No 46514 BY RADO UHREN AG
(RADO WATCH CO. LTD) (MONTRES RADO SA)**

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BACKGROUND

1. On 28 October 1993 Titan Industries Limited applied to register the trade mark CELESTE for a specification of goods which read:-

"Jewellery, clocks and watches, and parts and fittings for all the aforesaid goods; all included in Class 14".
2. The application was subsequently amended prior to publication in the Trade Marks Journal, by virtue of the Registrar's discretion under Section 17(2) of the 1938 Act, and was advertised as follows:-

MARK	SPECIFICATION OF GOODS	SPECIAL CIRCUMSTANCES
TITAN CELESTE	Jewellery; watches; parts and fittings for all the aforesaid goods, but not including any such goods in the form of the name Celeste or being decorated with the name Celeste.	Proceeding because of prior rights in Registration No. 1469243 (5963,1045) and special circumstances.

3. On 27 February 1997 Haseltine Lake Trademarks filed a Notice of Opposition on behalf of Rado Uhren AG. (Rado Watch Co Ltd) (Montres Rado SA) and in summary the grounds now were:-
 1. Under Section 12(1) of the 1938 Act because of trade mark registration No. 1100799 for the mark CELESTRA in respect of "Clocks incorporating mechanisms for displaying time in digital units, and parts and fittings therefor". The proprietor of registration No. 1100799 is Simplex Time Recorder Co., the opponent's parent company.
 2. Under Section 17(2) of the 1938 Act. In particular, because the Registrar exercised his discretion wrongly under Section 17(2), in allowing modification of application No. 1551892 by the addition of trade mark registration No. 1469243 (TITAN), without

requiring the removal of those goods in the specification of application No. 1551892 that are not covered by the specification of registration No. 1469243. As the specification of registration No. 1469243 is for "Watches, clocks, horological and chronometric apparatus and instruments; parts and fittings for all the aforesaid goods; all included in Class 14; but not including watch straps of leather or imitation leather", the opponent contends that it does not cover all the goods of application No. 1551892, namely "jewellery, parts and fittings for jewellery, watch straps of leather or imitation leather" which should be removed from the specification of application No. 1551892.

4. On 30 April 1997, the applicants, through their agents, Ladas & Parry, filed a counterstatement denying the grounds of opposition.
5. Both sides have asked for an award of costs in their favour and have filed evidence. The matter came to be heard on 16 February 2001 when the applicant for registration was represented by Mr Farrington of Ladas & Parry and the opponents by Mr Krause of Haseltine Lake Trademarks.
6. By the time this matter came to be decided the Trade Marks Act 1938 had been repealed in accordance with Section 106 (2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act, however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly all references in this decision are references to the provisions of the Trade Marks Act 1938 (as amended) unless otherwise indicated.

Opponents' Evidence

7. This consists of a statutory declaration dated 12 February 1998 by Martin H Krause, a trade mark attorney and partner in the firm of Haseltine Lake Trademarks who are acting for the opponents in the present case.
8. Mr Krause refers to "Exhibit MK1" to his declaration which is a copy of a print-out from Trade Marks Registry records showing details of registration No. 1100799 for the trade mark CELESTRA, and he states that he has confirmed that the registration is still entered on the Register.
9. Next, Mr Krause draws attention to "Exhibit MK2" to his declaration, being copies of correspondence between the applicants and the opponents, in particular:
 - (a) a letter from Mr Xexes Desai, Vice Chairman and Managing Director of the applicants, to Mr Nicholas Hayek, President and Chief Executive Officer of SMH Swiss Corporation for Microelectronics and Watchmaking Industries Ltd (hereafter "SMH"), dated 10 June 1994, in which Mr Desai states that the applicant has selected the name CELESTE for their jewellery collection and have been informed by their attorneys that the name CELESTE has been registered by RADO. Mr Desai goes on to say that if RADO has not used this name nor has plans to use it in the immediate future, he would be grateful if it could be assigned to his company for a consideration.
 - (b) a letter in reply, dated 14 June 1994, from Dr H P Rentsch, Vice President and General Counsel of SMH, on behalf of Mr Hayek to Mr Desai. Dr Rentsch states that Rado are using the brand name CELESTE, are planning to increase its use in the very near future and that it is impossible for RADO to assign the name to Titan Industries Ltd.

10. Mr Krause explains that the opponents are a wholly owned subsidiary of SMH and turns to "Exhibit "MK 3" to his declaration, which comprises a print-out showing details of trade mark application No. 1551892 as filed; a copy of page No. 14602 of the Trade Marks Journal No. 6153 showing trade mark application No. 1551892 as advertised for opposition purposes; and a copy of page No. 1405 of Trade Marks Journal No. 5963 showing the advertisement of trade mark application (now registration) No. 1469243. Mr Krause notes that application No. 1551892 relied on the prior rights in registration No. 1469243 for the trade mark TITAN in order to proceed and that the goods within the specification of application No. 1551892 fall outside of the list of goods of registration No. 1469243, including "jewellery".

Applicants' Evidence

11. This consists of a statutory declaration, dated 19 February 1999, by Graham Farrington a registered trade mark attorney and the Trade Marks Manager of Ladas & Parry who are acting for the applicants.
12. Mr Farrington states that application 1551892 for the mark CELESTE was filed on 28 October 1993 for a specification reading "Jewellery, clocks and watches, and parts and fittings for all the aforesaid goods all included in Class 14". He refers to the Examination Report issued by the Trade Marks Registry on 31 May 1994, a copy of which is at Exhibit "GF 1" to Mr Farrington's Statutory Declaration, and states that the Examination Report included an objection under Section 12(1) of the Act involving the registered mark 1100799 CELESTRA in respect to "Clocks incorporating mechanisms for displaying time in digital units, and parts and fittings therefor". Mr Farrington goes on to say that the objection was considered at a Hearing, after which the application was amended in the following manner:-
 - (c) "Clocks" were deleted from the specification of goods;
 - (d) The mark was amended to TITAN CELESTE.
13. These amendments resulted in the Registrar agreeing to waive the citation of registration 1100799.

Opponents' Evidence in Reply

14. This comprises a further statutory declaration by Mr Krause, dated 13 September 1999.
15. Mr Krause states that on 19 August 1999 he entered the web-site of Casio, the Japanese electronics company and at Exhibit "MK1" to his declaration are attached print-outs from this web-site which show that, amongst other goods, Casio manufacture and sell watches and clocks. Next, Mr Krause states that on 19 August 1999 he entered the web-site of the catalogue retail company Argos PLC and at Exhibit "MK2" to his declaration are attached print-outs from this web-site showing that Argos sell clocks and watches with similar features e.g. alarms and backlights, including clocks and watches from the same manufacturer.
16. This concluded my summary of the evidence filed in this case. I now turn to the decision.

DECISION

17. Firstly, I wish to deal with the objection relating to the exercise of the Registrar's discretion under Section 17(2) of the 1938 Act, on whether the width of the applicant's specification of goods, as advertised, can be justified on the basis of special circumstances.

"Section 17(2) of the Act states:-

"Subject to the provisions of this Act, the Registrar may refuse the application, or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think right."

18. This discretion is a judicial discretion and must be exercised on reasonable grounds which are capable of being clearly stated.

19. At the hearing, Mr Farrington (to his credit) candidly stated that the applicant had not sought the full specification for which the amended mark had proceeded to advertisement and he surmised that the inclusion of "jewellery" in the specification resulted from an error within the Trade Marks Registry, as these goods were not covered by the registered equity TITAN (No. 1469243), which was added to the mark originally applied for. I think Mr Farrington's interpretation must be correct as the inclusion of "jewellery" at large would include goods which are not the same (or even of the same description) as those covered by the registered "equity" and in my view their inclusion cannot be justified under "special circumstances" by the Registrar.

20. During the hearing Mr Farrington limited the applicant's specification to read:-

"Watches; parts and fittings for watches; but not including watch straps of leather or imitation leather; and not including any such goods in the form of the name Celeste or being decorated with the name Celeste; all included in Class 14".

21. This specification amendment disposes of the opponent's objection in relation to Section 17(2) of the Act.

22. I now turn to the ground of opposition under Section 12(1) of the 1938 Act. This reads as follows:

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 to Section 12 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 test for objections under Section 12(1) is set down in *Smith Hayden & Co. Ltd's application* [Volume 1946 63 RPC 101]. Adapted to the matter in hand the test may be expressed as follows:

Assuming user by the opponent of their trade mark CELESTRA in a normal and fair manner for any of the goods covered by the registration of the trade 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 trade mark TITAN CELESTE normally and fairly in respect of any goods covered by the proposed registration?

23. At the hearing it was common ground that the goods of the parties (the applicant's watches and the opponent's clocks) are goods of the same description with Mr Krause for the opponents arguing that they are very similar indeed as they both have the same essential function ie. to tell the time, and Mr Farrington for the applicants countering that, although they are of the same description, there are clear differences in the market place as a customer does not go into a shop to buy a watch and come out with a clock and vice versa.

24. Moving onto a consideration of the marks themselves, both parties at the hearing drew my attention to the guidance set down by Parker J in *Pianotist Co.'s Application* (1906 23 RPC 774 at page 777):

"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."

25. Mr Farrington also drew attention to the case of *Aristoc v Rysta* (1945 RPC 65) which makes it clear that allowance must be made for imperfect recollection and the effect of the careless pronunciation of words. He argued that the existence of the word TITAN at the beginning of the applicant's mark removes the likelihood of confusion with the opponent's mark, both in aural and visual use, as it is a central feature to the mark which would be pronounced in aural use and affix itself in the mind of customers.

26. Mr Krause referred me to the views expressed in *Bulova Accutron* (1969 RPC 102). In *Bulova* at 109-110 Stamp J. said:-

"As I have already said, if what had to be considered was a side by side comparison, the additional word would have had a vital significance, but where imperfect recollection is

relevant what has to be considered is how far the additional word is significant to prevent imperfect recollection and the resultant confusion. Particularly having regard to the fact that BULOVA is the house name of the applicants and has a significance other than as a trade mark, its addition before the word ACCUTRON does not in my judgement serve to prevent the deception or confusion which would in the view of the Court of Appeal have been caused but for that adoption. As the Assistant Registrar remarks in his decision: "As Bulova and Accutron do not hold together as a phrase or present a wholly different meaning to the separate components, I think that their combination will be taken by many persons on first impression as an indication that the manufacturer of the watches is using two separate trade marks in connection with his products." I would add that the combination of the two words is likely to be taken by other persons on first impression as an indication that the part of the trade mark which consists of BULOVA is a house name of the marketers of the watches, that the trade mark is ACCUTRON and that they will confuse them with watches marketed under the trade mark ACCURIST simpliciter."

27. Mr Krause contended that the words CELESTE and CELESTRA are undoubtedly confusingly similar both in a visual context and if spoken unclearly, that the addition of the applicant's house mark TITAN does not defuse the risk of confusion and that the marks as a whole are confusingly similar.
28. In deciding the case in suit I consider the Bulova precedent to be of considerable assistance. Unlike Bulova where identical goods were involved (watches), the current case covers goods of the same description - watches and clocks. Nevertheless, in my view watches and clocks are very similar goods in that they share the same basic function ie. they tell the time, they may incorporate many similar features e.g. alarms and backlights, they are sold through the same outlets (including specialist outlets such as jewellers) and are often produced by the same manufacturers.
29. TITAN is the company name of the applicants and Mr Krause's contention that it is used as a house name has not been contradicted by them. Turning to a comparison of the respective marks - TITAN CELEST and CELESTRA - the Bulova decision makes it clear that I have to pay particular regard to the fact that TITAN is a house name of the applicants (or is likely to be seen as a house name) and has a significance other than as a trade mark, especially as the words TITAN CELESTE do not hang together as a phrase. It does not follow that the addition of a house mark to a mark can never overcome a confusion and each case must be considered on its merits. Therefore, I must pay particular attention to the words CELESTE and CELESTRA, their degree of similarity and the likelihood of these words being confused. The words consist of seven and eight letters respectively with their first six letters (CELEST) being identical. Given the identity of the beginnings, indeed major portion, of the marks and considering their overall first impression I believe that there exists a strong possibility of visual confusion. Furthermore, on imperfect recollection I consider there to be a likelihood of confusion or deception.
30. I conclude that the marks TITAN CELESTE and CELESTRA are likely to be confused when used in a normal and fair manner as the combination of the words TITAN and CELESTE will be taken by many persons on first impression as an indication that the manufacturers of the watches is using two separate trade marks in connection with his products and that TITAN is a house name of the marketers of the watches that has the trade mark CELESTE and they will confuse them with the clocks marketed under the trade mark CELESTRA in particular the public are likely to reach the conclusion that CELESTE watches and CELESTRA clocks come from the same source or

undertaking. I would add that, under the 1938 Act, the onus is on the applicant to satisfy the tribunal that there is no likelihood of confusion and, in my view, the applicant has failed to discharge this onus.

31. The opposition succeeds under Section 12 of the Act and the opponents are entitled to a contribution towards their costs. I order the applicants to pay them the sum of £850. 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.
32. For the sake of completeness, I confirm that at the hearing I agreed it would be in order for the applicants to amend their mark back to that originally applied for ie. CELESTE and that it could then proceed for the following specification of goods:

"Jewellery and parts and fittings for the aforesaid goods, but not including watches and parts and fittings for watches and not including any such goods in the form of the name Celeste or being decorated with the name Celeste; all included in Class 14."
33. This option, which was not disputed by Mr Krause, remains open to the applicant for a period of one month from the expiry of the period allowed for appeal against this decision, following which, in the absence of any appeal, the application will be refused.

Dated this 14 day of March 2001

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General