

TRADE MARKS ACT, 1963

Decision in Hearing under Section 26

IN THE MATTER OF an application for registration of Trade Mark No. B169394 and in the matter of an Opposition thereto.

INTERNATIONAL DATA GROUP, INC. Applicant

DSG RETAIL LIMITED Opponent

The application

1. On 11 July, 1995, INTERNATIONAL DATA GROUP, INC., a corporation organised and existing under the laws of the State of Massachusetts, United States of America, of 5 Speen Street, Framingham, Massachusetts 01701-9192, U.S.A., made application (No. 95/4700) to register the words “PC WORLD” as a Trade Mark in Part A of the Register in Class 16 in respect of a specification of goods that was amended in the course of the examination of the application to read as follows:

“Publications relating to computers, computing, computer software and
information technology”

2. The Application was subsequently advertised as accepted for registration in Part B of the Register under No. B169394 in Journal No. 1790 on 10 July, 1996.
3. Notice of Opposition to the registration of the mark pursuant to Section 26 of the Act was filed on 10 December, 1996 by DSG RETAIL LIMITED of Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7PG, England. The Applicant filed a counter-statement on 20 February, 1997 and evidence was, in due course, filed by the parties under Rules 37, 38 and 39 of the Trade Mark Rules, 1963.
4. The Opposition became the subject of a Hearing before me, acting for the Controller, on 14 June, 2004. The parties were notified on 14 December, 2004

that I had decided to dismiss the opposition and to allow the mark to proceed to registration. I now state the grounds of my decision and the materials used in arriving thereat.

Notice of Opposition

5. In its Notice of Opposition the Opponent makes a number of statements and claims, which I would summarise as follows:

- (i) The Opponent is engaged in trade in computer hardware and software and in publications and printed matter relating thereto.
- (ii) The Opponent is the proprietor of the trade mark PC WORLD, which it has applied to register (Application No. 96/5414) in relation to a range of goods and services in Classes 9, 16, 37 and 42.
- (iii) The Opponent has a very substantial reputation both in the Republic of Ireland and in the United Kingdom under the trade mark PC WORLD in relation to the goods and services covered by its Application No. 96/5414.
- (iv) Use by the Applicant of the trade mark PC WORLD in relation to the goods covered by the application would lead to the Applicant's goods being passed off as, or mistaken for, goods with which the Opponent is connected in the course of trade.
- (v) The mark that the Applicant has sought to register would be disentitled to protection in a Court of Justice and registration thereof would offend against the provisions of Section 19 of the Act.
- (vi) Registration of the Applicant's mark would contravene Section 20 of the Act.
- (vii) The Applicant is not the proprietor of the mark for which it seeks registration and does not have a present and definite intention of using it in the State as required by Section 25 of the Act.
- (viii) The mark is not qualified for registration under either Section 17 or Section 18 of the Act.
- (ix) Registration of the Applicant's mark would be contrary to the provisions of the EC Harmonisation Directive (Council Directive 89/104/EEC).

Counter-statement

6. In its Counter-Statement the Applicant denies each and every one of the assertions contained in the Notice of Opposition, except that it admits that the Opponent appears to be the proprietor of Trade Mark Application No. 96/5414, but the Applicant denies that the Opponent is the proprietor of the trade mark PC WORLD.

The evidence

Rule 37

7. Evidence submitted by the Opponent under Rule 37 consisted of a Statutory Declaration (and Exhibits GDB/1–GDB/9) dated 11 August, 1997 of Geoffrey David Budd, Company Secretary of the Opponent. I would summarise the main points to emerge from this evidence as follows:

- (i) The Opponent operates throughout the United Kingdom a chain of computer superstores which trade under the name “PC WORLD” and which are clearly marked with that name. The first such store was opened in October, 1991 and by August, 1997 there were 35 stores in locations throughout the United Kingdom, including one in Lisburn, Northern Ireland. Each store averages some 18,370 square feet, which is considerably larger than most conventional computer stores.
- (ii) The Opponent produces a publication entitled “PC WORLD Buyers Guide”, showing the range of products sold in its stores. A fresh issue is produced every 5-6 weeks and the typical print run is 350,000 copies. The publication is frequently delivered to potential customers in a particular “target area” by way of promotional and advertising activity.
- (iii) The Opponent produces a range of printed material bearing the trade mark PC WORLD. Samples of same exhibited include –
 - a “welcome leaflet”, which is handed to customers as they enter a store,

- instructional leaflets entitled “How to choose a PC”, “How to upgrade your PC”, “How to choose the right software for your business”, “How to choose a printer” and “Getting Wired”,
 - a leaflet entitled “Delivery, Installation & Tuition”, which explains the services offered at an extra cost by the Opponent in the relevant areas,
 - “Roadshow” leaflets advertising special events,
 - a “Student Discount Card” leaflet, and
 - a “receipt wallet” leaflet.
- (iv) The Opponent advertises its business through the media of newspapers, radio and television. Advertisements are regularly placed in a number of U.K. national newspapers (*names provided and sample advertisements exhibited*). Radio advertising has been run since 1992 (*details for 1993-1996 of radio stations used and costs incurred exhibited*). Television advertising (on British television) commenced in January, 1994 (*schedule detailing costs of T.V. advertising and stores covered by same between January, 1994 and January, 1996 exhibited*). The estimated total spend on advertising for the period May, 1993 to June, 1996 was over Stg£10.9 millions (Stg£8m – press; Stg£1.924m – radio; Stg£0.98m – T.V.).
- (v) The Opponent’s PC WORLD stores stock a vast range of computer equipment, software and accessories as well as books, printed matter and instruction manuals relating to computers. Turnover for the period 1992 to 1996 was more than Stg£480 millions, of which almost Stg£7 millions related to books, printed matter and instruction manuals.
- (vi) The PC WORLD store in Lisburn, Northern Ireland was opened on 13 August, 1994. It is frequented by customers from this State and, of sales totalling £6.895 millions, £11.409 millions and £2.517 millions for the years 1994/95, 1995/96 and 1996/97 (first four months), respectively, documented

sales to customers from the State amounted to £275,000, £456,360 and £100,68, respectively. The Lisburn store is supported by extensive advertising in Northern Irish newspapers (*details provided of expenditure on advertisements in the Belfast Telegraph, the Belfast Newsletter, the Irish News and the Derry Journal*).

- (vii) The present Applicant voluntarily withdrew its corresponding application for registration in the United Kingdom following an approach by the Opponent notwithstanding the fact that the latter's application for registration of PC WORLD in the U.K. post-dated the filing of the application in question.

Rule 38

8. Evidence submitted by the Applicant under Rule 38 consisted of a Statutory Declaration (and Exhibits MRK1-MRK4), dated 24 April, 2000, of Miriam R. Karlin, Assistant Secretary and Manager of Legal Affairs of the Applicant. I regard the following as the significant facts contained in Ms. Karlin's Declaration:

- (i) The Applicant adopted the trade mark PC WORLD in 1982 for use in relation to publications relating to computers, computing, computer software and information technology (*sample copies of covers from "PC WORLD" publications bearing dates between August, 1989 and January, 2000 are exhibited*).
- (ii) The mark was first used in connection with the relevant goods in the United States in 1983 and, by 2000, there were approximately 1.2 million publications in circulation. PC WORLD magazines are distributed in several countries throughout the world, including the Republic of Ireland, and are published in a variety of languages (*a list of countries, including circulation figures and launch dates, is exhibited*).
- (iii) The Applicant maintains a website at *www.pcworld.com* which is available throughout the world and has more than 2.8 million visitors per month, approximately 1,600 of whom originate in Ireland.

- (iv) As of the date of the Declaration, the Applicant had eleven individual subscribers (*names provided*) in Ireland to the U.S. PC WORLD magazine.
- (v) The Applicant withdrew its corresponding application in the United Kingdom but not because of an approach from the Opponent, as claimed in the Opponent's evidence under Rule 37, but because of, (a) "descriptiveness problems" and, (b) the purchase and use of an alternative trade mark, PC ADVISER, in that jurisdiction.

Rule 39

9. Evidence submitted by the Opponent under Rule 39 consisted of –

- a further Statutory Declaration dated 16 October, 2000 of Geoffrey David Budd, in which he makes a number of criticisms of the Applicant's evidence, which, being in the nature of argument as opposed to evidence, *per se*, I do not need to go into here, and
- a Statutory Declaration dated 14 December, 2001 of Tom Joe Ruddy of 6 Riverbank, Ardee, Co. Louth, who says that he is familiar with the term PC WORLD, which he knows to be the name of a business selling computer hardware and software through outlets in Lisburn, Northern Ireland and Blanchardstown, Dublin. He says that he has been familiar with PC WORLD computer stores since approximately 1994.

The hearing

10. At the Hearing the Opponent was represented by Paul Gallagher, SC instructed by MacLachlan & Donaldson, Trade Mark Agents and the Applicant by Mary Rose O'Connor, Trade Mark Agent of Cruickshank & Co. In essence, Mr. Gallagher's case was to the effect that the Opponent had, through extensive trading under, and promotion of, the name PC WORLD, acquired a significant reputation in that name in this jurisdiction such that it would succeed in an action for passing off against the Applicant if the latter were to market goods of the kind covered by the application for registration under the same name or mark. That, said Mr.

Gallagher, is more than sufficient to warrant refusal of the application under Section 19 of the Act. For her part, Ms. O'Connor denied that any reputation that the Opponent may have under the name PC WORLD subsisted in this jurisdiction as of the date of the present application (the relevant date) and asserted that any such reputation would have been confined to retailing of computers and computer accessories, which goods are not the same as those in respect of which the Applicant seeks registration. The evidence filed by both parties was subjected to close scrutiny at the hearing and I have had regard to the arguments presented by each side, as to what is and is not established by that evidence, in deciding the matter.

The issues

11. While several grounds of opposition were raised against the application in the Notice of Opposition, Mr. Gallagher only pursued the case under Section 19 of the Act at the hearing. While the other grounds of opposition have not been formally abandoned, I take the view that the Opponent does not seriously hold to them. With regard to the objection based on Section 20 of the Act, for example, it is the case that the Opponent's application (referred to at paragraph 5(ii) above) for registration of the mark PC WORLD post-dated the present application by some 15 months and there was, therefore, no trade mark already on the Register in the name of the Opponent at the time of filing of the present application such as would ground an objection under that Section. Similarly, as regards the Opponent's claim that the Applicant did not have an intention of using the mark for which it seeks registration as a trade mark for the relevant goods, no evidence in support of that claim has been adduced and the objection cannot be upheld. That is also true of the claim that the mark is not qualified for registration under Section 18. Finally, the claim that registration would offend against the provisions of Council Directive 89/104/EEC is not applicable as the present application falls to be determined under the provisions of the Trade Marks Act, 1963, which pre-dates the enactment here of legislation implementing the Directive. For these reasons, I am satisfied that it is sufficient for me to confine my consideration of the matter to Section 19 of the Act alone.

Section 19 – would the mark be disentitled to protection in a court of law?

12. Section 19 of the Act reads as follows:

“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 law, or would be contrary to law or morality, or any scandalous design.”

13. The standard test for an objection under Section 19 is that set down by Evershed J in the *Smith Hayden & Co. Ltd.* application [1946] RPC 97, as adapted by Lord Upjohn in the *Bali* case [1969] RPC 472, viz.

Having regard to the user of the name [PC WORLD], is the court satisfied that the mark applied for, 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?

14. The application of that test to the present case requires consideration of a number of questions, which I would phrase as follows:

- (i) *What was the nature of the user by the Opponent of the name PC WORLD prior to the date of filing of the present application for registration (11 July, 1995 – “the relevant date”)?*
- (ii) *Was there an awareness of that name among consumers in this jurisdiction as of the relevant date?*
- (iii) *If so, with what commercial activity did consumers here associate the name?*
- (iv) *Was there use by the Applicant of PC WORLD as a trade mark for the goods of the application prior to the relevant date?*

(v) *If so, had that use led to deception or confusion?*

The Opponent's user of the name PC WORLD

15. I look first at the use by the Opponent of the name PC WORLD prior to the relevant date. I am satisfied that the Opponent's evidence establishes that, by that time, there were in operation in the United Kingdom, including in Northern Ireland, a number of PC WORLD "superstores", which had achieved sales on a very large scale and which had also been extensively advertised. The use made of the name PC WORLD appears to have been primarily as a name for the Opponent's retail outlets and I have not been given evidence of that name being used as a trade mark for specific goods sold through those stores (and nor does the Opponent appear to claim that it was). The name has also been used on a range of printed matter, including guides, leaflets and brochures, samples of which have been exhibited in the Opponent's evidence and are referred to in paragraph 7, subparagraphs (ii) and (iii) above. It is not clear from the evidence as to whether any of the documents in question were produced and distributed prior to the relevant date.

The knowledge of the name in this jurisdiction

16. While the use by the Opponent of the name PC WORLD prior to the relevant date was confined to the United Kingdom, including Northern Ireland, the Opponent says that its reputation under the name had "spilled over" into this jurisdiction by virtue of a number of factors. These include the extent of the use in the U.K., the closeness of the U.K. and Irish markets, the promotion of the mark in newspapers and on radio and television channels that are available here and the fact that there were sales through the outlet in Northern Ireland to persons resident in this jurisdiction. I am satisfied on the basis of the evidence filed that, as a matter of fact, the Opponent's business under the name PC WORLD was known to a number of consumers here (those who had visited the store in Northern Ireland) and, on the balance of probabilities, that knowledge extended to a substantial number of the consumers of computers and computer-related products in this jurisdiction. Those would also be the customers for the goods covered by the present application.

The commercial activity for which the name PC WORLD was known

17. Having decided that the name PC WORLD was known to consumers here as of the relevant date by virtue of the Opponent's prior use of it, I must also decide as to the field of commercial activity with which that name would have been associated in the minds of Irish consumers as of the relevant date. Trade marks and trading names do not exist in isolation and an undertaking's reputation under a mark or name must be defined by reference to the field of activity within which the undertaking has used that mark or name. Given the nature of the Opponent's business and the advertisement and promotion thereof (as evidenced by the exhibits filed with Mr. Budd's Statutory Declaration under Rule 37), I am satisfied that consumers in this jurisdiction who knew of the name PC WORLD and the business conducted thereunder would have known the Opponent as a retailer of a wide range of computers and computer products, including all of the well-known brands in that field – Canon, Hewlett-Packard, IBM, Dell, Microsoft, etc. Notwithstanding the Opponent's evidence to the effect that a proportion (approximately 1.5%) of its very large turnover relates to sales of printed matter, books and instruction manuals, I am not satisfied that the evidence proves that, as a matter of probability, consumers in this jurisdiction would have been aware of the Opponent's activities in that area. Nor, as I have already stated, does the evidence show that any of the items of printed matter bearing the name PC WORLD, samples of which the Opponent has exhibited, were produced prior to the relevant date or ever distributed to persons within this jurisdiction.

The Applicant's use of PC WORLD

18. The Applicant has claimed that it used the mark PC WORLD as a trade mark for publications relating to computers, etc. prior the relevant date and that it had a reputation under the mark in relation to those goods in this jurisdiction as of that date. The only direct evidence it has adduced in support of the latter claim is a list of 11 Irish subscribers to its U.S. PC WORLD magazine, which shows that only 2 commenced their subscriptions prior to the relevant date. For obvious reasons, I do not regard that evidence as sufficient to prove use in the State by the Applicant of the trade mark PC WORLD prior to the relevant date, to say nothing of the alleged reputation under the mark. Of course, an applicant for registration of a mark is not required to prove pre-application use of the mark within the

jurisdiction but merely has to have an intention to use the mark as a trade mark for the relevant goods. Pre-application use of the mark by the Applicant, if such had been shown to have existed, would have been relevant only insofar as it could be taken into account in assessing the likelihood of confusion or deception arising from such use in the future (see paragraph 14(v) above); if the Applicant had already used the mark and no instances of actual deception or confusion had been identified, then it might be said that there was no appreciable likelihood of such occurring in the future. As things stand, I am satisfied that there was no actual use of the mark by the Applicant prior to the relevant date and the question of whether any such use would have been likely, as of that date, to cause deception or confusion is essentially a theoretical enquiry.

Likelihood of confusion or deception

19. Returning then to the test set out in paragraph 13 above and applying the findings that I have reached on the questions listed in paragraph 14, I think that the question may be put as follows:

Having regard to the use in the United Kingdom by the Opponent of the name PC WORLD as a trading name for a chain of computer superstores, and having regard to the awareness among consumers in this jurisdiction of that use, is the Hearing Officer satisfied that the mark PC WORLD, if used by the Applicant in a normal and fair manner in connection with publications relating to computers, computing, computer software and information technology, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

20. To answer that question, it is necessary to put oneself in the shoes of the average consumer who, having an interest in computers and computing, is familiar with the Opponent's name and is likely to be a customer for the Applicant's goods. Is such a person, when seeing a magazine entitled PC WORLD in a newsagent's or bookshop (*a normal and fair usage*) likely to assume a connection between that magazine and the PC WORLD superstores? In *Pianotist*, [1906] 23 RPC 774, Parker J stated that, in making that assessment, one must consider "*all the surrounding circumstances*". The modern case-law speaks about the need to

make a global assessment of the likelihood of confusion, taking into account all of the relevant factors, including the degree of similarity of the respective marks and the respective goods and the degree of distinctiveness, whether inherent or acquired, of the earlier mark¹. Notwithstanding that the present case falls to be determined under the Trade Marks Act, 1963, I am satisfied that the latter principle, which has been developed in the context of Council Directive 89/104/EEC, is equally applicable to the consideration of the likelihood of confusion in this case.

21. In particular, I think that it is right to attach some significance to the fact that PC WORLD possesses only a low level of distinctiveness when considered in the context either of a computer superstore or of a magazine relating to computers and computing. While there is identity as between the Opponent's name and the mark that the Applicant seeks to register, and while there is a certain overlap in the respective fields of activity, insofar as both relate to computers and computing, it does not automatically follow that there would be a likelihood of deception or confusion if the Applicant's mark were to be used in relation to the goods of the application. The likely perception of the average consumer must also be taken into consideration and it would be wrong, in my view, in making an assessment of the likelihood of confusion to ignore the highly allusive, not to say descriptive, nature of the name PC WORLD and the perception that the average consumer will have of that name. If it is correct to say that the more distinctive the earlier mark, the greater will be the likelihood of confusion if an identical or similar mark is subsequently used by another², then the opposite must also apply and the likelihood of confusion must be reduced in circumstances where separate undertakings each use a mark having very little inherent or factual distinctiveness. In the present case, I have allowed that the Opponent's name was probably known to a substantial number of consumers of computers and computer related-products in this jurisdiction as of the relevant date. I could not accept, however, that it had acquired a high degree of factual distinctiveness by that date in circumstances where the name had not actually been used at all within the jurisdiction. There

¹ See, for example, the European Court of Justice in *Lloyd Schuhfabrik Meyer & Co. GmbH –v- Klijsen Handel BV* (Case C-342/97), paras. 18-20

² *Sabel BV –v- Puma AG and Rudolph Dassler Sport* (Case C-251/95), para. 24

are, therefore, only the inherent characteristics of the name to consider when deciding the degree of distinctiveness that it possesses and, in that regard, I think there can be no doubt that it is not a very distinctive name.

22. Having considered the matter carefully, I have come to the conclusion that there is insufficient likelihood of deception or confusion if the Applicant's mark is used in a normal and fair manner as a trade mark for the relevant goods to warrant refusal of the application under Section 19 of the Act. In my opinion, the relevant consumer will perceive the use of that mark on those goods as indicative of the subject matter of the relevant publications in just the same way as magazine titles such as *Golf World*, *Garden World* and *Woman's World* serve to proclaim the nature of their subject matter or target audience. Of course, the consumer who knows of the Opponent's PC WORLD superstores will more than likely be reminded of same when he sees the Applicant's PC WORLD magazine but I doubt he would be likely to be deceived or confused to the extent that he would perceive a connection in the course of trade between the two. It seems far more likely to me that, because of the obvious application which the name and trade mark PC WORLD has to both a computer store and a computer magazine, he will perceive the simultaneous use by the Opponent and the Applicant of that name and trade mark for what it is, i.e., separate and distinct and no more than coincidental. I do not believe that the average consumer would be likely to infer from their common use of the name PC WORLD that the proprietor of the superstores is one and the same entity as the publisher of the magazine. It is only when there is *a real tangible danger of confusion*³ that registration should be refused and I do not think that any such danger exists in this case. For that reason, I have decided to dismiss the opposition under Section 19 of the Act and to allow the Applicant's mark to proceed to registration.

Tim Cleary

Acting for the Controller

5 January, 2005

³ as per Lord Upjohn in *Bali*