

O-606-16

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION NO. 3121315
FOR THE TRADE MARK**

LUUP

**IN CLASSES 36 AND 42
BY LUUP GROUP LIMITED**

AND

**THE OPPOSITION THERETO
UNDER NO. 405836
BY MILES & MORE GMBH**

Background and pleadings

1. LUUP Group Limited (“the applicant”) applied for the trade mark LUUP on 7 August 2015 for the following services in classes 36 and 42:

Class 36: The provision of financial services including payment processing, online transactions and matters relating thereto.

Class 42: The provision of online, web-related and internet services namely programming, management and consultancy of websites and web portals.

2. The application was published on 13 November 2015 and was subsequently opposed by Miles & More GmbH (“the opponent”). The opponent bases its opposition under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) on the following EU trade mark, which is not yet registered because it has been opposed:

EU14099931

LOOP

Filing date: 21 May 2015

Class 35: Arranging and conducting of incentive and customer loyalty programs; Operation of bonus systems in connection with the use of flights, hotels, rental cars, service stations and credit cards.

Class 36: Credit card transactions for processing cashless payments in service stations, hotels, for travel bookings and booking of rental cars; Issuing of identity cards for payment of services, in particular for airline, hotel, service station and car rental services.

Class 39: Travel and passenger transportation; Airline services; Reservation (travel); Booking of hire cars.

Class 43: *Reservation of hotels.*

3. Section 5(2)(b) of the Act states that:

“(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.”

4. Since it makes its claim under section 5(2)(b), the opponent’s ground is that the parties’ services are identical or similar and that the marks are similar, the combination of which will lead to a likelihood of confusion between the marks. Despite the applicant’s assertion to the contrary, it is not necessary for the opponent to rely on case law or to expand this pleading; the wording of section 5(2)(b) speaks for itself.

5. The applicant denies the ground, stating that it has common law rights in LUUP which predate the opponent’s mark (presumably what is meant is that the applicant has used its mark prior to the filing date of the earlier mark.)

6. Both parties are professionally represented. Both filed evidence and written submissions in lieu of a hearing, choosing not to be heard. I make this decision after carefully considering all of the papers filed.

Opponent’s evidence

7. The opponent’s evidence comes from its trade mark attorney, Michael Conway, of Haseltine Lake LLP. His evidence takes the form of results from internet research

which he has carried out in relation to similarity of services. In summary, the key points from the various websites are:

- Exhibit MC1: airlines offer credit cards linked to their frequent flyer loyalty programmes, to accrue frequent flyer 'miles'. The prints are from Money Supermarket (dated 18 May 2016), Money Saving Expert (updated March 2016) and British Airways (dated 18 May 2016).
- Exhibit MC2: supermarkets and hotels offer credit cards linked to their loyalty and incentive programmes, and in partnership with financial service providers such as banks. The prints are from Tescobank, Sainsburysbank, Marriot, (all dated 18 May 2016) and Barclaycard/Hilton (undated).
- Exhibit MC3: UK banks operate customer incentive and reward schemes on current accounts, such as earning cashback. The prints are from Barclays and Santander, dated 18 May 2016.
- Exhibit MC4: a description of how credit cards are administered and the types of business involved in the processing of financial card transactions, from cardswitcher.co.uk (dated 13 May 2013), such as banks and supermarkets.
- Exhibit MC5: PayPal operates a loyalty scheme called PayPal Select (dated 18 May 2016).
- Exhibit MC6: a description of the launch of a loyalty scheme for retailer customers of Payzone, described as one of the UK's largest independent networks of in-store payment processing terminals.
- Exhibit MC7: SagePay and WorldPay, providers of payment processing systems, provide platforms for third-party merchants to operate their own customer loyalty schemes (prints dated 18 May 2016).

- Exhibit MC8: a description from the Reuters website (dated 4 June 2015) describing a partnership between Global Payments, a provider of payment technology services, and Virtual Next, a company involved in the provision of customer loyalty and incentive schemes. This evidence appears to be Canadian.
- Exhibit MC9: a UK news article from essentialretail.com (dated 17 December 2014) in which the head of payment processing solutions at banking software and architecture business, FIS Global, comments on a link between mobile payment processing and the operation of customer loyalty and incentive schemes.
- Exhibit MC10: dated 18 May 2016, from contisgroup.com, a UK-based payment processing provider which administers customer loyalty and incentive schemes.

8. The applicant's evidence comes from its solicitor, Mr Philip Hannay, of Cloch Solicitors. Mr Hannay has also conducted internet research and has exhibited the results at exhibits LUU-PAH-1. Some of these relate to overseas jurisdictions (LUU-PAH-1, LUU-PAH-7, LUU-PAH-9, LUU-PAH-10 and LUU-PAH-11), so are without relevance to these proceedings. Mr Hannay's witness statement does not make clear what the relevance is of the first eleven exhibits, which consist of single pages from the websites of various companies, Kreditech, Seedrs, Pariti, Revolut, Crowd2Fund, Bit2me, Checq, Pockit, Birdee, Xero and 4Finance, who variously provide mobile payment technology, accounting software, crowdfunding platforms, services for start-up businesses, and selling bitcoins. The opponent's written submissions in lieu of a hearing commented on the lack of explanation in Mr Hannay's witness statement. In the applicant's written submissions in lieu of a hearing, Mr Hannay explains that this particular section of his evidence is designed to show that "the relevant public completely recognise that current brand practice recognises the unavailability of certain words and therefore key emphasis is placed on small linguistic playfulness or modern Millennial "text speech" versions of otherwise everyday words." If this is what the evidence was meant to show, it should

have been explained in the witness statement so that the opponent had a fair chance either to file reply evidence, or to address it in submissions. It is unfair to give a first explanation of evidence once the evidence rounds have closed.

9. Exhibit LUU-PAH-12 is a copy of an extract from the Oxford Dictionary of English (2005, 2nd Edition) providing definitions of the word 'loop'. Another copy of a page from the dictionary shows that there is no entry for 'luup'.

10. Exhibits LUU-PAH-13 to LUU-PAH-19 relate to the applicant's business. In summary, the main points are:

- Exhibit LUU-PAH-13 is a screenshot from Wikipedia about the applicant's trade mark, printed on 22 August 2016. The text describes LUUP as being a bank-grade mobile payment solution.
- Exhibit LUU-PAH-14 comprises screenshots from the internet archive, the Wayback Machine, showing that luup.com was archived 175 times since 13 October 1999. A note at the bottom of the page states that the calendar maps the number of times that the website was crawled by the Wayback Machine, not how many times the site was updated.
- Exhibit LUU-PAH-15 comprises screenshots of archived homepages from the applicant's website from 19 January 2012, 8 February 2014 and 25 March 2015. These refer to mobile payment solutions.
- Exhibit LUU-PAH-16 is the applicant's home page, as of August 2016, referring to mobile payment services.
- Exhibit LUU-PAH-17 comprises the applicant's company registration details, held at Companies House, as of August 2016.

- Exhibit LUU-PAH-18 comprises press articles which refer to LUUP mobile payment services, from The Guardian (3 May 2006), thirdsector.co.uk (18 April 2007) and charitytimes.com (18 April 2007).
- Exhibit LUU-PAH-19 comprises extracts from the LUUP website (undated) which repeat the information shown elsewhere about the applicant's mobile payment services.

11. Two exhibits relate to the opponent's business, presumably to highlight a lack of similarity between the parties' services. These refer to the opponent as a frequent flyer miles rewards programme. A further exhibit gives details of the two oppositions against the earlier mark, at the European Union Intellectual Property Office ("EUIPO").

12. The opponent filed brief evidence in reply, consisting of a screenshot from the EUIPO's classification of goods and services database. The screenshot shows that *issuing tokens of value as a reward for customer loyalty, issuing of tokens of value in relation to customer loyalty schemes and issuing electronic payment cards in connection with bonus and reward schemes* are proper to class 36.

Decision

13. The following principles are gleaned from the decisions of the EU courts 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

14. The applicant's counterstatement refers to earlier common law rights. Part of its evidence deals with its use of LUUP in relation to mobile payment services. It has also filed evidence about what services the opponent provides. Until a trade mark has been registered for five years, it is entitled to protection in relation to all the goods/services for which it is registered. Consequently, as the opponent's earlier mark is not even yet registered, it does not need to prove any use of its mark in relation to those services. The opponent's earlier mark is therefore entitled to protection based on the 'notional' use of it for the services for which it has been applied for, subject to the outcome of the opposition proceedings against it. The concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41:

"22.It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a

finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

15. This approach has recently been endorsed by the Court of Appeal in *Roger Maier v ASOS*¹. Furthermore, the applicant has applied for services wider than those for which it has shown use in its evidence. The application must also be considered on the basis of notional use across the width of its specification of services. The legal protection the applicant seeks is governed by its list of services, not by its current trade. The opponent is correct in drawing attention to Tribunal Practice Notice 4/2009 (now at page 421 of the Tribunal Practice Manual):

“Parties are reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker’s mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker’s mark.”

16. The parties’ respective services are shown in the table below:

¹ [2015] EWCA Civ 220, paragraphs 78 and 84.

Earlier mark	Application
<p data-bbox="177 250 796 562">Class 35: <i>Arranging and conducting of incentive and customer loyalty programs; Operation of bonus systems in connection with the use of flights, hotels, rental cars, service stations and credit cards.</i></p> <p data-bbox="177 636 796 1003">Class 36: <i>Credit card transactions for processing cashless payments in service stations, hotels, for travel bookings and booking of rental cars; Issuing of identity cards for payment of services, in particular for airline, hotel, service station and car rental services.</i></p> <p data-bbox="177 1077 796 1279">Class 39: <i>Travel and passenger transportation; Airline services; Reservation (travel); Booking of hire cars.</i></p> <p data-bbox="177 1352 796 1386">Class 43: <i>Reservation of hotels.</i></p>	<p data-bbox="798 636 1410 837">Class 36: <i>The provision of financial services including payment processing, online transactions and matters relating thereto.</i></p> <p data-bbox="798 911 1410 1113">Class 42: <i>The provision of online, web-related and internet services namely programming, management and consultancy of websites and web portals.</i></p>

17. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the Court of Justice of the European Union (“CJEU”) stated, at paragraph 23 of its judgment:

“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.”

18. ‘Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

19. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

20. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

21. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert

sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

22. Even if the parties' services are described in different words, the law requires that they be considered identical where the words used are alternative descriptions of the same goods or services. The same applies where the applicant's description of its services encompasses the specific goods or services covered by the opponent's descriptions (and vice versa): see *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-33/05, where the GC 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 the trade mark application (Case T-388/00 *Institut für 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".

23. The applicant's class 36 specification includes the broad term 'the provision of financial services', which has not been limited to any particular financial services. Consequently, this term covers, and is therefore identical to, the opponent's *credit card transactions for processing cashless payments in service stations, hotels, for travel bookings and booking of rental cars* because these are also financial services. The specific services contained in the applicant's class 36 specification, *payment processing, online transactions and matters relating thereto*, are identical to the opponent's *credit card transactions for processing cashless payments...* although worded differently. They are all types of payment processing/transactions. The applicant's services in class 36 are identical to the opponent's services in class 36.

24. The opponent says this about the applicant's class 42 services:

“The class 42 services in the opposed application, which involve the programming, management and consultancy of websites and web portals, are similar to the services “*reservation (-travel)*” and “*reservation of hotels*”.

The former would encompass the programming and management of travel and hotel booking websites and portals, and these are now the most common ways for consumers to reserve many types of travel and to book hotels.

Programming and managing a travel and hotel reservation website and operating that website as a means for consumers to book travel and hotel rooms are essential and complementary components of a travel and hotel reservation business. As such, consumers are strongly likely to consider the programming and management of a travel and hotel reservation website to be undertaken by the same organisation that offers reservations through that website. These services are therefore similar in nature, share the same intended purpose and are complementary to one another. Overall, they are similar to at least a moderate degree.”

25. I do not accept these submissions. In *Commercy AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-316/07, the GC rejected highly similar arguments. The case concerned the comparison between the applicant for cancellation’s goods and services in class 9 and 42, which were ‘Computer software for the production of platform-independent internet shops and internet authoring systems chiefly for the reservation, booking and payment of accommodation’; and ‘Development and design of computer software, namely for internet shops and internet authoring systems, especially for the reservation, booking and payment of accommodation’, and the registered proprietor’s services in classes 39 and 42, which were ‘Information services relating to transportation services, including information services provided on-line from a computer database or the internet; travel reservation and travel booking services provided by means of the world wide web’; and ‘Computerised hotel reservation services’. The Board of Appeal had agreed that the parties’ goods and services were not similar and, therefore, despite the parties’ signs being identical (EASYHOTEL), there was no

likelihood of confusion. The applicant for cancellation appealed and the GC stated in its judgment:

“49 In addition, the Board of Appeal examined whether the goods and services concerned may be complementary. According to its findings, complementarity had to be excluded in the present case since the public at large, for which the services covered by the mark at issue are intended, does not purchase the relevant goods and services covered by the earlier mark, which are exclusively intended for businesses which, subsequently, provide services to the public at large.

50 Finally, the Board of Appeal found, in the same context, that users of the internet who purchase travel services on-line are not likely to be aware of who provided the software that allows an internet shop to operate and are, in any event, able to distinguish between a company that provides sophisticated technology and another company that sells travel services via the internet.

51 Those findings must be upheld. They show, to the requisite legal standard, that the goods and services concerned differ in respect of their nature, intended purpose and method of use and are neither in competition with each other nor complementary. First of all, the relevant goods and services covered by the earlier trade mark are computer-related whereas the information, booking and reservation services covered by the mark at issue are different and use computer technology only to support the transmission of information or to make it possible to reserve hotel accommodation or travel.

52 Further, the relevant goods and services covered by the earlier trade mark are especially intended for businesses in the hotel and travel sector, and the information, booking and reservation services covered by the trade mark at issue are intended for the public at large.

53 In addition, the relevant goods and services covered by the earlier mark are used to enable a software system, and, more specifically, an internet

shop, to function, whereas the information, booking and reservation services covered by the trade mark at issue are used to reserve hotel accommodation or travel.

54 The mere fact that the information, booking and reservation services covered by the trade mark at issue are exclusively provided via the internet and therefore require software support such as that provided by the goods and services covered by the earlier trade mark does not suffice to remove the essential differences between the goods and services concerned in terms of their nature, their intended purpose and their method of use.

55 Computer goods and computer services are used in nearly all sectors. Often, the same goods or services – for example, a certain type of software or operating system – may be used for very different purposes, and that does not mean that they become different or distinct goods or services. Conversely, travel agency services do not become something else – in terms of their nature, intended purpose or method of use – solely because they are provided via the internet, particularly since, nowadays, use of computer applications for the provision of such services is almost essential, even where those services are not provided by an internet shop.

56 Moreover, the goods and services concerned are not substitutable, since they are intended for different publics. Therefore, the Board of Appeal was right to find that those goods and services are not in competition with each other.

57 Finally, those same goods and services are also not complementary. It must be recalled in this respect that goods or services which are complementary are those where there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that consumers may think that the responsibility for the production of those goods or provision of those services lies with the same undertaking (Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005])

ECR II-685, paragraph 60; judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM – Gómez Frías (euroMASTER)*, not published in the ECR, paragraph 35; and Case T-420/03 *El Corte Inglés v OHIM – Abril Sánchez and Ricote Saugar (Boomerang TV)* [2008] ECR I-0000, paragraph 98).

58 That case-law definition implies that complementary goods or services can be used together, which presupposes that they are intended for the same public. It follows that there can be no complementary connection between, on the one hand, the goods and services which are necessary for the running of a commercial undertaking and, on the other, the goods and services produced or supplied by that undertaking. Those two categories of goods or services are not used together since those in the first category are used by the relevant undertaking itself whilst those in the second are used by customers of that undertaking.

59 Although it accepts that the end users of the goods and services concerned are different, the applicant maintains that a likelihood of confusion cannot be ruled out in the present case since the relevant goods and services covered by the earlier mark have the sole purpose of making it possible to provide the information, booking and reservation services covered by the mark at issue. As a general rule, the public concerned by those services does not know who developed the necessary software and likewise cannot distinguish between the information on the intervener's website which comes from the intervener itself and that which derives from the software or services provided by an undertaking specialised in computing, such as the applicant. In short, on the intervener's website the services covered by the mark at issue are indissociable from the relevant goods and services covered by the earlier mark.

60 That argument cannot be accepted. The commercial origin of the software and the computer services which enable the intervener's website to function is not generally of the slightest interest to the public for which the services

covered by the mark at issue, which are supplied via that website, are intended. For that public, the intervener's website is a mere tool for the online reservation of travel and accommodation. What is of importance is that it functions well and not who provided the software and computer services which enable it to function.

61 If, however, some of the intervener's customers wonder about the commercial origin of the software and the software development and design services which are necessary for the functioning of the intervener's website, they are capable, as was correctly pointed out by the Board of Appeal, of making a distinction between the specialised undertaking which supplies those goods and services and the intervener which supplies services relating to the tourism and travel sector over the internet. Since the services covered by the mark at issue are, by definition, supplied exclusively over the internet, it must be assumed that the intervener's customers have at least some basic knowledge of computing. They are thus aware that an online reservation system cannot be set up by merely any computer user and that it requires software and software development and design services which are provided by a specialised undertaking.

62 The applicant's claim that the intervener's customers cannot distinguish information which comes from the intervener itself from that which derives from software and computer services of the kind covered by the earlier mark is likewise incorrect. The information likely to be of interest to the intervener's customers is that relating to travel arrangements, the availability of hotel accommodation and their prices. The provision of that information is precisely what constitutes the services covered by the mark at issue. The goods and services covered by the earlier mark serve only to convey that information and do not themselves transmit other separate information to the persons concerned."

26. This analysis and finding is directly applicable to a comparison between the applicant's class 42 services and the services in classes 39 and 43 which the opponent submits are similar. The parties' services are not similar.

Average consumer and the purchasing act

27. 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.

28. In view of my findings that the parties' class 36 services are identical, but that there is no similarity between the applicant's class 42 services and the opponent's services, I will confine the analysis to the parties' class 36 services, on a notional basis across the width of the specifications.

29. Primarily, the average consumer's encounter with the parties' marks will be on a visual level, such as signage on premises, advertisements, presence on bank cards and stationery, and website use. Furthermore, visual research will be undertaken before commitment is made. However, I do not discount the potential for oral use, such as verbal recommendation and use over the telephone. The average consumer's level of attention is likely to be reasonably high owing to the potentially long-term and important consequences of selecting financial services.

Comparison of marks

30. 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.”

31. 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.

32. The respective marks are:

Earlier mark	Application
Loop	LUUP

33. The applicant submits that the double UU is unusual and, therefore, is dominant over the letters L and P in its mark. The established authorities caution against dissection of marks because the average consumer views them as wholes. Nevertheless, I agree with the applicant that the double UU is alien to the English language and therefore is visually striking within such a short word. The shortness of the parties’ marks increases the fact that a 50% difference in the letters is visually noticeable. Factoring in the L and the P, which form the first and last letters in both marks, and the very different middle letters, the marks are visually similar to a moderate degree.

34. The earlier mark is the well-known word ‘loop’, whereas the applicant’s mark is invented. The double UU distances the application from any evocation of the word loop. The marks are not conceptually similar.

35. An aural comparison represents the high point of the opponent’s case concerning similarity between the marks. There is a natural propensity amongst

consumers to read letter marks as words, whether they are known words or invented. Words need vowels for articulation. If the mark was LUP, the natural pronunciation of the U would be as in the word 'umbrella'. Although a UU is alien to English, I consider that the UU vowel combination is likely to be pronounced as OO. This is for two reasons. English-speakers' experience of single vowels is that they are, generally, short, such as 'top' and 'up'. The only vowels in the English language that are doubled are 'o', as in 'tool', and 'e', as in 'keep'. The doubling creates a lengthened sound. Faced with a double UU, the English-speaker will import what he or she knows about the doubling of the same vowel and will lengthen the sound so that it is not a short 'u', but is long, like the sound created by 'oo'. The most likely scenario is, therefore, that LUUP will be pronounced in the same way as LOOP, meaning that the marks are aurally identical.

Distinctive character of the earlier marks

36. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*² 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

² Case C-342/97.

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).”

37. The opponent has not filed any evidence of use of its mark, so I have only the inherent position to consider. Loop is a well-known English word. It does not appear to describe or clearly allude to any characteristic of the opponent’s services. It is a mark of average distinctive character.

Likelihood of confusion

38. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that the parties’ class 36 services are identical, but that there is no similarity between the applicant’s class 42 services and any of the opponent’s services. A likelihood of confusion presupposes that there is some level of similarity between goods and services (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*, paragraph 22). Therefore, the opposition must fail in respect of the applicant’s class 42 services because they are not similar to any of the services covered by the earlier mark.

39. That leaves me to make a global assessment of all the factors examined so far in this decision in relation to the application in class 36. In the opponent’s favour are the facts that the services are identical and that the marks are, in all likelihood, aurally identical. Pulling in the applicant’s direction is the moderate (but no higher) level of visual similarity, no conceptual similarity, that the earlier mark is averagely distinctive (but no more than that), and the reasonably high level of attention paid by average consumers during the purchasing process.

40. A further factor to consider is the relative weight which must be given to the visual, aural and conceptual levels of similarity, according to the nature of the purchasing process. For example, the purchase of clothing is highly visual, so the level of visual similarity between marks is more important than aural similarity³. I discussed above the purchasing process and concluded that it is far more likely to be visual than aural. Financial services will almost always involve visual perception of trade marks because literature will be involved, either when the selection process is underway, or at point of purchase. Credit and debit cards always show the trade mark of the undertaking providing the service. Aural perception of the marks will, therefore, matter considerably less in the purchasing process than visual perception. In *Mülhens GmbH & Co KG v OHIM* Case C-206/04 P, the CJEU stated:

“21 It is conceivable that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.

22 Therefore, one cannot deduce from paragraph 28 of the judgment in *Lloyd Schuhfabrik Meyer* that there is necessarily a likelihood of confusion each time that mere phonetic similarity between two signs is established.”

41. Furthermore, aural (and visual) similarity between marks can be offset by a lack of conceptual similarity⁴, which can operate even if only one mark has a meaning capable of immediate grasp by the average consumer, as is the case with Loop and LUUP. Balancing all these factors together, despite the identical services and the aural identity of the marks, there is no likelihood of confusion. The purchasing process will be a considered one; the earlier mark is no more than averagely distinctive; the marks will be perceived primarily visually, which means visual

³ *Quelle AG v OHIM*, Case T-88/05

⁴ *Ruiz-Picasso v OHIM*, case C-361/04 P [2006] E.T.M.R. 29.

similarity is more important than aural similarity; and the visual similarity between them is no more than moderate. These factors militate against a likelihood of imperfect recollection. The lack of any conceptual similarity offsets the aural and visual levels of similarity, further making it unlikely that one mark will be imperfectly recalled for the other.

Outcome

42. The opposition fails. The application may proceed to registration.

Costs

43. The application has been successful and is entitled to a contribution toward the cost of the proceedings. The registrar normally awards costs from the published scale, as set out in Tribunal Practice Notice 4/2007. The applicant included the following in its written submissions in lieu of a hearing:

“16. Costs ought to be awarded in the Applicant’s favour. In fact, actual costs ought to be awarded given [sic]:

16.1 The Opponent utterly failed to notify the Applicant of the intention to oppose.

16.2 The Opponent only decided to oppose the Application on the last day of opposition and only after the mark (upon which the Opposition is exclusively based) was opposed twice by separate third parties.

16.3 The Opponent has even opposed the Applicant’s application to register its most distinctive LUUP (figurative) mark at the EUIPO (EU015283997).

44. None of these reasons justify a departure from the scale of costs. In relation to the applicant's third point, it is irrelevant that the opponent sees fit to oppose another of the applicant's marks. It is a normal part of the trade mark registration landscape. There is nothing unusual in an opposition being filed on the last day of the opposition period (the second point). This might have a bearing on costs if no notice was given and the applicant decided not to defend its application. However, as in this case, once an applicant decides to join the fray, whether or not it had notice becomes irrelevant (the first point). This is because if notice is given and an applicant decides not to defend, it then has time to withdraw the application or reach some other kind of settlement. If it defends the application, then it is presumed that the applicant intends to continue with its application and that it would not have withdrawn or settled, regardless of the amount of notice given⁵.

45. I have not made an award for the filing of evidence. This is because the applicant's evidence would have put the opponent to trouble trying to work out the relevance of the first eleven exhibits, which were not explained until after the close of the evidence rounds. The evidence of the applicant's and the opponent's activities was without relevance for the reasons I have already set out. I have made a small award for considering the opponent's evidence, which was not onerous. I assess the cost award as follows:

Considering the opposition and filing a counterstatement	£200
Considering the opponent's evidence	£150
Written submissions in lieu of a hearing	£300

⁵ See Tribunal Practice Notice 4/2007, in particular paragraph 6: <http://webarchive.nationalarchives.gov.uk/tna/20140603093547/http://www.ipo.gov.uk/pro-types/pro-patent/p-law/p-tpn/p-tpn-2008/p-tpn-62008.htm>

Total

£650

46. I order Miles & More GmbH to pay LUUP Group Limited the sum of £650 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 20th day of December 2016

A handwritten signature in black ink, appearing to read 'Judi Pike', with a large, sweeping flourish extending to the right.

Judi Pike

**For the Registrar,
the Comptroller-General**