

O-023-07

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION 2371403 IN THE NAME OF
CONJUNGO LIMITED**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 93132
BY CONCHANGO (UK) PLC**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application 2371403
in the name of Conjungo Limited
and
IN THE MATTER OF opposition thereto
under No. 93132 by Conchango (UK) Plc**

BACKGROUND

1. On 23 August 2004 Conjungo Limited applied to register the trade mark as shown below:



2. The application was published for opposition purposes on 22 October 2004 in relation to the following services:

Class 35: Advertising services provided over the Internet.

3. On 24 January 2005 Conchango (UK) Plc filed a notice of opposition. The grounds upon which the opponent relies can be summarised as:

Section 5(2)(b) That the application is a similar mark to the opponent's earlier mark (Community Trade Mark 1862267) in relation to identical/similar services, and that this would lead to a likelihood of confusion.

Section 5(4)(a) That the applicant has a goodwill in the sign CONCHANGO and that use by the applicant of the mark applied for will lead to damage to the goodwill enjoyed by the opponent.

4. The details of the earlier mark relied upon are:

CONCHANGO

Filing date:
20 September 2000

Publication date:
29 October 2001

Registration date:
29 May 2002

Goods and services:

Class 09:
Computer hardware; computer software; CD-ROMs, DVDs, parts and fittings thereof; electronic publications.

Class 35:
Business consulting; management consultancy, business analysis; strategic analysis; marketing consulting; marketing strategy consulting and implementation; change management relating to business; customer relationship management; business intelligence solutions consulting; online advertising consultancy; project management; knowledge management solutions; risk management; business planning, creative strategy; data strategy and business transformation services; change management relating to telecommunications.

Class 38:
Telecommunications; messaging systems; providing telecommunications to a global computer network; providing user access to a global computer network (service providers).

Class 41:
Training; publishing services; provision of electronic publications.

Class 42:
IT consulting; software engineer services; design services; application support, product support and support of hardware and bespoke software; technical consulting; design services; creative services; software design services; configuration of standard software; software maintenance; design of and consultancy on critical business systems; systems integration; computerised systems consultancy; services relating to the design, setting up, operation and maintenance of e-business and e-commerce solutions; security consulting in the field of computers and the internet, internet professional services; application design; application development; computer network management; intranet and website content management; migration of desktop and server platforms to new technologies; configuration of standard operating environments; services relating to the design, setting up, operation and maintenance of computer networks; configuration, operation and maintenance of intranets and

extranets; hosting services; computer hardware and software security services.

5. The applicant filed a counterstatement on 9 May 2005 in which the grounds of opposition were denied.

6. Both sides ask for an award of costs.

7. Only the opponent filed evidence in the proceedings. The parties were given an opportunity to request a hearing prior to the determination of the opposition; neither party did so. However, the opponent did file written submissions - these were submitted by their trade mark attorneys, Jenson & Son, under cover of a letter dated 28 November 2006. I will summarise these written submissions when dealing with the grounds of opposition later in this decision.

EVIDENCE

Opponent's evidence

8. The opponent's evidence comes from Mr Bhavesh Vaghela, the Marketing Manager of the opponent company. He confirms that his evidence comes from his own knowledge or from the records of the opponent company.

9. Mr Vaghela begins his evidence by explaining that the opponent company was founded in 1991 under the name OS Integration. The company was re-branded in 2001 to CONCHANGO; the name was chosen on the basis of the distinctiveness and uniqueness of this word.

10. An explanation of the services the opponent provides is then given. The services provided are wide-ranging services in the field of business consultancy, technology consultancy, project management, systems integration, web-development, database design, creative services such as interactive design and branding, and, on-line communications including advertising and marketing.

11. Mr Vaghela states that the opponent has a strong reputation in the field of on-line telecommunications relating to both the technical infrastructure of web-sites but also on the creative side of the design of web-sites. He refers to Exhibit BV1 which contains a number of case-studies taken from the opponent's web-site. Not all of them are dated but one is from January 2004 and one from some time in 2003. They detail the work that the opponent undertook in re-vamping the web presence of a number of well known companies. The work undertaken appears to be both on the technical and creative side of the project.

12. Exhibit BV2 is a copy of the opponent's 2004 accounts. The turnover for 2004 was approximately £14 million which grew from £11.8 million the previous year. Although the turnover is not attributed to any particular mark, it is reasonable to infer from the

information provided that the business is operated as a whole under the CONCHANGO name. What is less easy to infer is the breakdown of the turnover to the respective services provided. However, I do note that the accounts information states that the company's principal activity is "the provision of business and technological consultancy services to major companies seeking an improved return on their investment in technology".

13. Mr Vaghela then states that much of the opponent's business is repeat business. However, he explains that extensive marketing does take place with just under £290,000 being spent on marketing in 2004. Exhibit BV3 contains a selection of the press coverage the opponent received in the period up to 15 August 2004. Most of this is in the form of articles commenting on the success of the opponent's client's web-sites for which the opponent is then given credit. One article (in a publication entitled "Marketing") lists the opponent as the third most successful "new media agency" – new media is a reference to the more modern ways of communicating with customers (e.g. e-commerce activities and web-sites etc.).

14. That completes my review of the evidence filed in these proceedings.

THE LAW

15. Section 5(2)(b) reads:

5(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.

DECISION

Section 5(2)

16. The European Court of Justice (ECJ) has provided helpful guidance in a number of judgments relating to Article 7(2) of the Directive (Section 5(2) as incorporated into the Trade Marks Act 1994), notably, *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux B.V.* [2000] E.T.M.R. 723. I have paid due attention to these cases when coming to my decision.

The average consumer

17. Matters must be judged from the perspective of the average consumer who is deemed to be reasonably well informed, reasonably circumspect and reasonably observant (see *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B.V.* [2000] F.S.R.77). Therefore, when making my various assessments I must identify who the average consumer is in relation to the services at issue.

18. Both sets of services, or at least those with the greatest degree of similarity, relate to the field of advertising. The services will therefore be engaged by businesses who wish to advertise their own goods or services or to obtain advice on the best ways of doing so. Although perhaps not everyday services, these are services that are employed by most businesses across all fields of commerce. The business community at large is, therefore, the average consumer of the respective services.

Similarity of the marks

19. In their written submissions, the opponent's trade mark attorneys regard the respective marks as highly similar. From a phonetic viewpoint it is submitted that the beginnings and the ends of the respective marks have the same pronunciation and that the sole difference is the sound in the middle of the marks. It is submitted that the nature of the words will lend a "slurring effect" in pronunciation (so leaving them even closer) and that, in any event, the similar sounds and construction of the marks make them phonetically very close. It is submitted that they are also visually close having a similar impression and being of similar length. No mention is made of the similarities (or differences) from a conceptual point of view save that neither mark has any particular meaning.

20. When assessing the similarities between the marks I am conscious that I must consider the marks as a whole and the assessment must be carried out by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (see *Sabel BV v. Puma AG*). The opponent's mark consists only of the word CONCHANGO, there are no other visual or phonetic additions; the word is the only component of the mark.

21. The applicant's mark, on the other hand, does have additional elements. Firstly, the words "Supplier – Buyer – Enabling" appear underneath the main word CONJUNGO. Whilst I cannot ignore these words completely, I take the view that these words lack any real distinctiveness and are also less prominent in the overall impression that the mark creates. The applicant's mark also has a particular stylisation with a shadowing effect to the letters that form the word CONCHANGO and, furthermore, the letter G in this word is made from a circular arrow device. Again, although these elements add a little to the mark, I do not consider that they will greatly alter the perception of the overall impression of the mark in the mind of the average consumer. The element CONJUNGO will, in my view, be regarded as the dominant and distinctive element of the applicant's

mark. The additional elements will not, in my view, greatly assist the distinguishing process between the respective marks.

22. From a phonetic viewpoint I share some of the opponent's views. The marks will, in my view, most likely be pronounced as CON-JUN-GO (the applicant's mark) and CON-CHAN-GO (the opponent's mark). The beginnings and the ends are therefore identical in pronunciation. Although the middle elements JUN and CHAN do not have a significant degree of similarity between them, this is diminished by the fact that these middle elements are similar in length, have soft beginnings and an N sound at the end. These factors combine, when the marks are pronounced, to lessen the impact of the middle elements; the middle elements do not, therefore, create a particularly marked difference in pronunciation of the marks as a whole.

23. From a visual perspective, the similar lengths of the respective dominant words and the visual similarities at their beginnings and ends creates a degree of similarity. The middle elements (JUN/CHAN), although not standing out to create a highly marked difference, are not as diminished as I have found in my assessment of the aural similarities. There is, nevertheless, a degree of visual similarity. As I have already stated, the stylisation in the applicant's mark will not greatly effect this assessment.

24. No evidence has been put forward to explain any meanings behind the respective marks. They will, to all intents and purposes, be regarded by the average consumer as invented words. The invention behind the respective words are based on similar construction so it could be argued that there is a degree of conceptual similarity. However, I consider this to be a fairly superficial argument and that there is, in reality, little conceptual similarity between the respective marks.

25. Overall, I consider the marks to be similar to a reasonable degree.

Similarity of goods/services

26. In the opponent's submissions it is stated that the services sought to be registered by the applicant are either identical or similar to the goods covered by the opponent's earlier mark. However, the opponent has not identified which of the particular services covered by their earlier mark represents their best prospect of success.

27. The applicant's services are "advertising services provided over the Internet". From my analysis of the specification of the earlier mark it is fair to say that a number of distinct goods and services are covered all of which have greater or lesser degrees of similarity with the services offered by the applicant. A number of them do, however, relate directly to advertising and marketing, namely, "marketing consulting; marketing strategy consulting and implementation; online advertising consultation".

28. The applicant has not provided any evidence or submissions to demonstrate the nature of the service they provide. I am therefore left in the position of looking at the terminology used and deciding what this covers. I consider the term "advertising

services” per se to be a broad term. It would include services focused on advising clients on the form and nature of advertising, designing and developing advertising, and implementing advertising campaigns on behalf of clients. The term would also include the provision and arrangement of advertising space, be it in newspapers, television, the Internet or any other medium.

29. However, the applicant’s specification qualifies the “advertising services” as being “provided over the Internet”. Does this qualification restrict the type of services covered (for example, to the provision of advertising space on the Internet) or does it do no more than simply describe the working methods of the applicant company (e.g. a virtual Internet based company as opposed to a “bricks and mortar” company)?

30. It is clear from cases such as *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR that I must give terms in specifications their natural meanings but caution should be exercised to ensure that terms are not taken out of context and also that they are not given an unduly narrow interpretation. Adopting this approach, it seems to me, from a notional point of view, that both interpretations of the applicant’s specification are permissible.

31. There is no reason to suggest that the services of an advertising agency (including consulting) could not be provided on-line over the Internet. The Internet has become a major force in the way that companies do business with less emphasis placed on face-to-face human contact. Advertising consulting (as covered by the opponent’s specification) is a type of advertising service and, as such, this means that identical services are in play in comparison to the applicant’s services.

32. If I considered the narrowest possible interpretation of the applicant’s service (that of arranging and providing advertising on the Internet) then are these similar to the opponent’s advertising/marketing consultancy services? The test to determine whether goods and services are similar can be found in a number of cases, notably, in the *Canon* case, the ECJ identified that when making this determination regard must be had to all relevant factors including the nature of the services, their intended purpose, their method of use and whether they are in competition or are complementary.

33. The users of the respective services and their intended purposes are very similar, namely the services will be used by businesses who want to achieve greater or improved visibility for the goods and services they offer. The nature of the services are at least similar in that providing advertising on the Internet will no doubt include some degree of consultation with the client in terms of the type of advertising required and the target audience etc. The method of use, excluding the already identified overlap in terms of consulting, is perhaps a little different given that one is focused purely on consultation and the other in bringing the advertising to fruition. The services are, at the least, complementary in that following receipt of advice and recommendations through an advertising consultation service you may then move forward to the service of arranging the specific advertising on the Internet. The services could also compete as both would attempt to offer themselves to potential clients as avenues for businesses to improve their

market visibility. Based on all these factors I consider that the services (even when considering a more restrictive interpretation of the applicant's specification) are reasonably similar.

Distinctiveness of the earlier marks

34. The distinctiveness of the earlier mark relied upon is an important factor to take into account when assessing whether there exists a likelihood of confusion. This is because there is a greater likelihood of confusion if the earlier mark has a highly distinctive character due either to its inherent properties or due to the use that has been made of it (see *Sabel BV v Puma AG*).

35. The opponent's written submissions claim that the mark is inherently highly distinctive (although no explanation is given as to why) and that the use made of it, particularly in relation to the field of on-line communications and marketing, enhances this distinctiveness.

36. From an inherent (or unused) point of view I agree that the mark is highly distinctive. There is no evidence to suggest that the word CONCHANGO has any meaning, therefore, I take the word CONCHANGO to be an invented word and one that makes no allusion what so ever to the services that the opponent provides. The word appears to have been constructed on a completely arbitrary basis and neither do any of the individual elements that make up the word have any allusion to the services offered The mark is, therefore, inherently fanciful and highly distinctive. In his evidence, Mr Vaghela states that the mark was chosen on the basis of its distinctiveness and uniqueness; the mark appears, on the face of it, to meet this desire.

37. The use made of the mark also enhances this distinctiveness, but this would, in my opinion, be limited in relation to services surrounding the development and creation of web-sites for others. Whilst services of this nature no doubt employ an element of marketing or advertising, the evidence does not show, in my opinion, that the applicant's reputation extends specifically to marketing and advertising. However, I do not consider this fact to be of particular significance given that the applicant's mark is, of itself, highly distinctive.

Likelihood of confusion

38. To summarise, I have already found that the respective marks are reasonably similar and that the earlier mark is of a highly distinctive character. In relation to the services at issue, I have found, even considering the applicant's best position (that of a more narrow interpretation), that the services are similar to a reasonable degree. But do these factors combine to create a likelihood of confusion?

39. I find that I must answer the above question positively. There is a clear overlap between the respective services as they are both provided in the field of advertising. Even if the average consumer noticed a difference between the precise nature of the services,

then, given the degree of similarity between them, it could easily be presumed that the services of the applicant are a follow on from the initial form of advertising consulting.

40. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely on the imperfect picture of them he has kept in mind (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B.V*) This, I believe, is a case in point. The earlier mark is highly distinctive and unusual. There is no conceptual hook for the average consumer to base his mind on, therefore, when encountering the applicant's mark the potential for the marks to be mistaken for one another is increased

41. This all leads me to the conclusion that the average consumer, when encountering the respective marks in relation to their respective services, is likely to be confused as to the economic origin of the services being provided.

Section 5(4)

42. The opponent has pleaded a separate ground of opposition under Section 5(4) of the Act. This relates to the common law tort of passing off. The opponent does, however, concede in their written submissions that they are no better off under Section 5(4) compared to Section 5(2). I agree with this assessment. In fact, the opponent is arguably worse off under this ground given that the goodwill which their evidence relates to is in a field more distant than the services which they can rely on under Section 5(2). In view of this, I do not propose to deal with this ground any further in this decision.

CONCLUSION

43. The opposition succeeds in relation to the entirety of the application. In view of this, and absent appeal, the application is refused.

COSTS

44. The opponent has been successful. I order the applicant to pay the opponent the sum of £1200. 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.

Dated this 17th day of January 2007

OLIVER MORRIS
For the Registrar
the Comptroller-General