

O/251/12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION  
No. 2570586  
BY CMX CAPITAL MARKETS EXCHANGE LIMITED  
TO REGISTER A TRADE MARK  
IN CLASS 36**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 102002 BY  
CHICAGO MERCANTILE EXCHANGE INC.**

## BACKGROUND

1) On 6 January 2011 CMX Capital Markets Exchange Limited (hereinafter the applicant), applied to register the following trade mark:



2) In respect of the following services in Class 36: Financial services; provision of financial advisory services, sourcing and execution of initial and secondary public offerings, provision of a public stock exchange and trading platform.

3) The application was examined and accepted, and subsequently published for opposition purposes on 4 March 2011 in Trade Marks Journal No.6877.

4) On 7 June 2011 Chicago Mercantile Exchange Inc. (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Number	Mark	Filing and Registration Date	Class	Specification
CTM 4035713	CME	14/09/04 28/07/06	9	Computer hardware and software for use in providing financial exchange services.
			36	Financial exchange services.
			42	Providing temporary use of non-downloadable software for use in providing financial exchange services.
UK 1278521	CME	01/10/86 26/07/91	36	Exchange services relating to the trading of commodities, futures and options; all included in Class 36.
CTM 4035705		14/09/04 28/07/06	9	Computer hardware and software for use in providing financial exchange services.
			36	Financial exchange services.
			42	Providing temporary use of non-downloadable software for use in providing financial exchange services.
CTM 3357274	CME E-MINI	12/09/03 08/02/05	16	Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional

				and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.
			36	Insurance; financial affairs; monetary affairs; real estate affairs.
			41	Education; providing of training; entertainment; sporting and cultural activities.
CTM 5837811	CME GROUP	17/04/07 30/01/08	36	Conducting commodities, securities, monetary and financial instruments exchange services.
CTM 8429946	CME CLEARING EUROPE	16/07/09 27/01/10	36	Transaction processing services relating to the purchase, sale, clearing, margining, risk management, settlement and delivery of financial instruments.
CTM 9030735	CMECE	15/04/10 28/09/10	36	Transaction processing services relating to the purchase, sale, clearing, margining, risk management, settlement and delivery of financial instruments.

b) The opponent states that its earlier marks consist of, or contain the element, CME which is similar to the mark in suit and that both parties' services in Class 36 are identical, and the opponent's goods and services in other classes are similar to the applicant's services. The opponent states that the application offends against Section 5(2)(b).

5) On 9 August 2011, the applicant filed a counterstatement which basically denied the opponent's claims. The applicant did not put the opponent to strict proof of use.

6) Both sides filed evidence. Both seek an award of costs in their favour. The matter came to be heard on 13 June 2012. At the hearing, the opponent was represented by Mr Stobbs of Messrs Impulse; the applicant was represented by Mr Jonathan Clelland a Director of the applicant company.

## **OPPONENT'S EVIDENCE**

7) The opponent filed a witness statement, dated 12 December 2011, by Mark Vogel an Associate Director of Global Account Management EMEA for CME Operations Limited (CMEOL) located in the UK. He states that CMEOL and the opponent Chicago Mercantile Exchange Inc. are both subsidiaries of CME Group Inc. He refers to these three companies as CME. He has worked for the opponent since 1995, moving to London in 2003, and has held his current position since 2010. He provides a history of the company which started in 1898, becoming Chicago Mercantile Exchange in 1919 and using the CME name as of that year. The company has offices around the world. Mr Vogel states that his company provides the world's largest and most diverse international marketplace for the exchange or trading of financial derivative products, namely futures and options contracts, which can be electronically traded almost around the clock. He states that some of the items traded include interest rates, equity indexes, weather, foreign exchange (foreign currency), energy, agricultural commodities (cattle,

pork and cheese), metals and real estate. In addition they offer market data services ranging from live and delayed quotes to market reports and historical data. Mr Vogel states that the company has been in the UK since 1979, and that it has offered almost 24hr trading in the UK since 1992. The UK operation has grown over the years, has moved on a number of occasions, and taken over a number of other companies. By May 2011 the company had over 150 employees in the UK. The opponent's website has pages specifically for clients in Europe, the Middle East and Asia. In addition to the trade mark registrations listed in the statement of grounds, the opponent also owns a number of other CME marks around the world and has a number of domain names all of which begin with the letters "cme".

8) Mr Vogel states that his company has used what he refers to as the "family of CME" marks in advertising of exchange trading, market data and clearing services. He states that during the last five years advertisements have appeared in the Wall St Journal (Europe edition), The Economist, and the Financial Times. In addition the family of marks have appeared on the CME website since 1998. He states that over the last five years the opponent "has spent tens of thousands of British pounds" advertising the CME family of marks in the UK. Mr Vogel states that the opponent is also active in a number of industry associations, and attends conferences and trade shows in the UK. Further the opponent sponsors such events in Europe and the UK, and has been recognized by financial publications with awards in the UK. Regarding revenue he comments:

"CME has generated hundreds of millions of British pounds in trading, clearing, and market data revenues in the UK in association with the CME Trade Mark and CME family of marks over the last five years."

9) Mr Vogel states that as part of his job he has to be aware of his company's competitors but he is unaware of any entity in the UK or worldwide which uses CME in connection with exchange related services. He also states that it is commonplace in the financial services industry for exchanges to abbreviate the word "exchange" with the letters "e" or "x". He provides a number of examples of such abbreviations in use. He also provides a number of exhibits, many of which are undated or after the relevant date, others are very poorly reproduced with parts which are unreadable. Of the 237 pages of exhibits less than approximately 5% appear relevant. I summarise those which are relevant to my decision below:

- Exhibit N: Copies of pages from the opponent's website. Only some of these would appear to be prior to the relevant date. Of these there is clear use of CTM 4035705 and also numerous references to itself as "CME".

## **APPLICANT'S EVIDENCE**

10) The applicant filed a witness statement, dated 12 January 2012, by Jonathan Clelland, a Director of the company. He states that his company intends to establish a

private exchange offering clients the opportunity to invest in unquoted investments. He states that:

“7. CMX’s clients will be classed under FSA regulations (as defined by the Markets in Financial Instruments Directive – MiFID) as professional. They will not be retail clients and therefore as sophisticated and experienced investors will be well informed on the financial exchange market place and the firms that operate in this market.”

11) Mr Clelland accepts that “it is common place that exchange may be abbreviated to “e or x”. But he points out that there are differences in the marks of the two parties and also notes that the opponent registered a number of domain names such as “cme.com”, “cmeeuropeexchange.com” and “cmeexchangeurope.com” but chose not to register any “cmx” domain marks which he contends, shows that the opponent did not consider that there would be confusion between cme and cmx.

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

## **DECISION**

13) It was agreed by the opponent at the hearing that its strongest case rested with its marks CTM 4035713 and UK 1278521. The only ground of opposition is under Section 5(2)(b) of the Act which 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.”

14) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

15) The opponent is relying upon its trade marks listed in paragraph 4, all of which are clearly earlier trade marks. The applicant chose not to put the opponent to proof of use and so the marks and their specifications remain as registered.

16) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10) Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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/ 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; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

17) In essence the test under section 5(2)(b) is whether there are similarities in marks and services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the services, the category of services in question and how they are marketed. Furthermore, I must compare the applicant's mark and the marks relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on the services in their specifications.

18) In the instant case the opponent has provided some evidence regarding use of its marks. I accept that it is a large global concern and that it has a degree of reputation in the UK. However, the opponent has not provided market share or marketing figures which are specifically prior to the relevant date, nor has it filed evidence from the trade or independent witnesses. To my mind the opponent's evidence is not sufficient to show that it enjoys an enhanced reputation. To my mind, the opponent's marks have a reasonable degree of inherent distinctiveness.



19) As the case law in paragraph 16 above indicates I must determine the average consumer for the services of the parties. I must then determine the manner in which these services are likely to be selected by the said average consumer. The applicant has stated that under FSA regulations its clients will all be professionals and therefore be sophisticated and experienced investors. The opponent has not defined its clients but given the nature of an exchange trading financial derivative products it is reasonable to assume that the opponent's clients will also be professionals. Although neither side's specifications limit them to such a clientele, it is reasonable to accept that the FSA will limit the potential market for such companies.

20) I shall now consider the services of the two parties. For ease of reference, I set out the relevant services of both parties below:

Opponent's specification		Applicants' specification
CTM 4035713	Class 36: Financial exchange services.	Class 36: Financial services; provision of financial advisory services, sourcing and execution of initial and secondary public offerings, provision of a public stock exchange and trading platform.
UK 1278521	Exchange services relating to the trading of commodities, futures and options; all included in Class 36.	

21) Clearly the two parties' services in Class 36 are identical or highly similar. This was accepted by both parties at the hearing.

22) I now turn to consider the marks of the two parties. The opponent's two trade marks are identical and so I will only refer to one mark in my comparison. For ease of reference these are reproduced below:

Applicants' Trade Mark	Opponent's Trade Marks
	

23) Clearly, the letters "CMX" are the dominant visual component of the applicant's mark although I must also take into account the explanation of the acronym which is printed underneath in much smaller print. The words are distinctive in their own right. It will not be lost on the average consumer that the letter "X" is used in the acronym to refer to the word "exchange". However, the applicant has accepted the letters "e" and "x" are commonly used as an abbreviation of the word "exchange". The letter "X" has a degree of stylisation but it is hardly that unusual or excessive. Visually there are both similarities and differences. The marks share the first two letters "C" and "M", the fact that they are the first two letters is significant, but differ in the last letter "E" as opposed to "X". In addition the applicant's mark has the words "Capital Markets Exchange", although this is in a very small font and if the mark were reproduced on a business card these words would be difficult to read.

24) Similarly, aurally the marks have differences and similarities.

25) Conceptually neither mark has any meaning for the relevant services, although I accept that stock exchanges globally use acronyms and the average consumer is used to seeing the letters "E" and "X" in such acronyms as both meaning "Exchange".

26) When determining whether there is a likelihood of confusion I have to take a number of factors into consideration. There is the interdependency principle i.e. a lesser degree



of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. I must consider the distinctive nature of the opponent's trade mark, the average consumer for the services, the nature of the purchasing process and the issue of imperfect recollection. In the instant case the opponent's mark is inherently reasonably distinctive and the services are identical or highly similar. The marks have differences as well as similarities, however, in my opinion the similarities are such, despite the average consumer being a professional investor, that there is a likelihood of confusion on the part of the public, and there is a likelihood of association with the earlier trade marks.

**27) The ground of opposition under Section 5(2)(b) succeeds.**

### **COSTS**

28) The opponent has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£350
Preparing evidence and considering and commenting on the other side's evidence	£500
Expenses	£200
Preparing for and attending a hearing	£800
<b>TOTAL</b>	<b>£1650</b>

29) I order CMX Capital Markets Exchange Limited to pay Chicago Mercantile Exchange Inc. the sum of £1850. This sum 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 27<sup>th</sup> day of June 2012**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**