

O-290-15

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO 1 190 993
IN THE NAME OF OBCHTCHESTVO S OGRANITCHENNOI
OTVETSTVENNOSTYOU
TO REGISTER:



IN CLASSES 35, 39, 41 AND 43
AND OPPOSITION 402284 THERETO
BY PEGASUS HAVA TASIMACILIGI A.S.

Background and pleadings

1. Obchtchestvo s ogranitchennoi Otvetstvennostyuu "Pegas Touristik" (the applicant) applied to protect International Trade Mark No 1 190 993



in the UK on 30th July 2013. It was accepted and published in the Trade Marks Journal on 23rd May 2014 in respect of the following services:

Class 35:

Business management; business administration; office functions.

Class 39:

Intermediary services or tourist information services (except for reserving hotels, boarding houses), in connection with travel information and transport information including information on service prices, timetables and means of transport.

Class 41:

Sporting and cultural activities; club services (entertainment or education); health club services; boarding schools; bowling alleys; providing billiard rooms; entertainer services in particular singers and dancers.

Class 43:

Restaurant services; temporary accommodation; hotel reservations, rental of temporary accommodation; temporary accommodation reservations.

2. Pegasus Hava Tasimaciligi A.S. (the opponent) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier Community Trade Marks: No 4 633 566 PEGASUS



AIRLINES (word only) and No 4 748 711 . The following services are relied upon in this opposition (which are covered by both earlier marks):

Class 39:

Transport, in particular airline and air transport services; packaging and storage of goods; travel arrangement, in particular reservation services (air travel), travel reservation and booking services, escorting of travellers, arranging of travel and tours.

O-290-15

3. The opponent argues that the respective services are identical or similar and that the marks are similar.
4. The applicant filed a counterstatement denying the claims made (and requesting that the opponent provides proof of use of its earlier trade marks relied upon).
5. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate.
6. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

Proof of use

7. Relevant statutory provision: Section 6A:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

O-290-15

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

8. In *Stichting BDO v BDO Unibank, Inc.*, [2013] EWHC 418 (Ch), Arnold J. stated as follows:

“51. Genuine use. In *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd* (SANT AMBROEUS Trade Mark) [2010] R.P.C. 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* (C-40/01) [2003] E.C.R. I-2439; [2003] R.P.C. 40 ; *La Mer Technology Inc v Laboratoires Goemar SA* (C-259/02) [2004] E.C.R. I-1159; [2004] F.S.R. 38 and *Silberquelle GmbH v Maselli-Strickmode GmbH* (C-495/07) [2009] E.C.R. I-2759; [2009] E.T.M.R. 28 (to which I have added references to *Sunrider v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) (C-416/04 P) [2006] E.C.R. I-4237):

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

O-290-15

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider* [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]".

9. Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be*

O-290-15

deemed to constitute genuine use of the trade mark in question". The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

Evidence filed

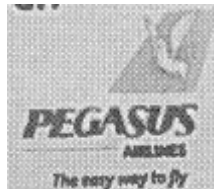
10. This consists of two witness statements from Mr Graeme Murray, a trade mark attorney together with a number of exhibits. These include copies of split charter agreements between the opponent and a number of third parties, tax invoices issued by the opponent to companies in the United Kingdom; photographs showing use of a winged horse logo trade mark at (according to Mr Murray) London Gatwick, London Stansted, Manchester and Glasgow airports; photographs of advertisements claimed to be from billboards on the London Underground and several advertisements in travel magazines and related publications. Further, there is a photograph of a trophy presented to the opponent in 2012 commemorating the successful relationship between itself and Stansted Airport during the five years previously. Finally, there are also copies of excess baggage coupons displaying a winged horse logo mark. Many of these appear to be in respect of journeys to and from UK airports as it is noted that many obvious airport codes are in use, such as LGW for London Gatwick, MAN for Manchester etc.
11. In respect of the evidence filed, the applicant argues that it does not display either of the earlier trade marks as registered. In this respect the following guidance is helpful:
12. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

O-290-15

13. See also *Remus Trade Mark* – BL O/061/08 (Appointed Person) & *OAO Alfa-Bank v Alpha Bank A.E.* - 2011 EWHC 2021 (Ch) and *Orient Express Trade Mark* - BL O/299/08 (Appointed Person).
14. Although these cases were decided before the judgment of the Court of Justice of the European Union (“CJEU”) in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, they remain sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.
15. In this case, the answer to the first question is that this is how the mark has been used:



16. In addition, there is some use showing a tail of an aeroplane with PEGASUS presented on the tail itself in the stylised manner displayed above. Though that use is not ignored, this assessment focuses upon the use shown with the winged horse.
17. In respect of point a) of the second question, it is the element PEGASUS together with the winged horse device comprises the mark’s distinctive character. In respect of the second question point b), the differences between the marks displayed in the evidence and the earlier registered trade marks is a question of positioning, for example the winged horse is facing left instead of right and the element PEGASUS is displayed underneath the device rather than on the right hand side (and directly alongside). In respect of point c) of the second question, it is considered that these differences in no way affect the distinctive character identified and so the form of use can be relied upon by the opponent.
18. In considering the evidence filed, it is true that some documents such as the majority of the photographs are not dated. However, there is a dated photograph of a trophy which is indicative of use during the relevant period in respect of at least one UK airport. Further, there are some dated adverts aimed at UK consumers in travel magazines (flight prices are in pounds sterling). Finally there are copies of (dated) excess baggage documents, which clearly include UK airport codes as already described. Taking the information contained in the evidence as a whole it is considered to provide

O-290-15

sufficient indications as to the period of use and when considered in combination with each other provide sufficient indications to conclude that the earlier trade mark has been put to genuine use in the UK during the relevant period.

19. However, the evidence filed by the opponent does not show genuine use of the trade mark in connection with all the services covered by the earlier trade marks. If the earlier trade mark has been used in relation to only part of the services for which it is registered it shall, for the purposes of the examination of the opposition, be taken into account for only of that part of the services (or a fair specification that reflects that use). In this case, the earlier trade marks shall be taken to be registered only in respect of the following services in class 39: *airline services* as this is considered to be a fair specification based upon the use shown.

DECISION

20. Section 5(2)(b)

Section 5(2)(b) of the Act is as follows:

“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, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Comparison of services

O-290-15

21. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

22. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services
- c) The respective trade channels through which the goods or services reach the market
- d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

23. The following guidance is also borne in mind: *Separode Trade Mark* BL O-399-10 (AP):

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”

24. The earlier services are: *airline services* in Class 39. The contested services are:

O-290-15

Class 35

Business management; business administration; office functions.

Class 39

Intermediary services or tourist information services (except for reserving hotels, boarding houses), in connection with travel information and transport information including information on service prices, timetables and means of transport.

Class 41

Sporting and cultural activities; club services (entertainment or education); health club services; boarding schools; bowling alleys; providing billiard rooms; entertainer services in particular singers and dancers.

Class 43

Restaurant services; temporary accommodation; hotel reservations, rental of temporary accommodation; temporary accommodation reservations.

Comparison of services in Class 39:

25. The earlier services are *airline services* which transport people from one location to another. The contested services seek to provide information. This is, in terms of respective purpose quite different. However the information provided is specific to travel and transport and includes service prices, timetables and means of transport. This could easily include information on flight routes, timetables etc. It is considered feasible that such services could be provided by the same undertaking. Further, the end users are highly likely to coincide as one would check the times and prices and then look to book a flight. There is therefore considered to be at least some degree of similarity here. This is pitched as being fairly low.

Comparison of services in class 35:

26. The contested services seek to provide particular functions to a business including administration, secretarial, human resources etc. These are entirely different in nature, purpose and method of use to the earlier services. They are not considered to be similar.

Comparison of services in Class 41:

27. As already stated, the earlier services transport people. The later services seek to entertain through the arrangement of events. While there may be a tenuous link present in that holidaymakers may often attend such events during a holiday period, this does not transform the respective services into a relationship of realistic similarity. They differ in nature, purpose and method of

O-290-15

use. One would not expect the same undertaking to provide both the earlier and later services. It is concluded that they are not similar.

Comparison of services in Class 43:

28. In respect of the following contested services: *temporary accommodation; hotel reservations, rental of temporary accommodation; temporary accommodation reservations*, it is noted that within the holiday industry, the so called “package holiday” which include flights, transfers and accommodation are provided by a large number of tour operators. These services can therefore be provided by the same undertaking. Further, they can coincide in respect of their end user. There is at least a degree of similarity. This is pitched as being low to moderate.
29. This leaves the contested *restaurant services*. It is considered that these services are subject to a similar analysis as already outlined above in respect of class 41. The later services provide food, the earlier, transport. While holidaymakers will avail themselves of the later services whilst on holiday, this does not realistically make them similar. Further, one would not expect them to be provided by the same end users. It is concluded that they are not similar.
30. The following services therefore are considered to be similar:

Class 39:

Intermediary services or tourist information services (except for reserving hotels, boarding houses), in connection with travel information and transport information including information on service prices, timetables and means of transport.

Class 43:

Temporary accommodation; hotel reservations, rental of temporary accommodation; temporary accommodation reservations.

Comparison of marks



31. 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 Court of Justice of the European Union 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

O-290-15

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.”

32. It would be wrong, therefore, to artificially dissect the trade marks, although, 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.
33. The respective trade marks are shown below. It should be noted that the analysis focuses upon the earlier stylised trade mark which contains a pictorial representation of a winged horse. The remaining earlier trade mark will be returned to if necessary.

	
Earlier trade mark	Contested trade mark

34. The applicant's mark is comprised of a device and a verbal element. It is considered that PEGAS catches the eye first, followed swiftly by the winged horse which is clearly not negligible in the mark and makes a significant contribution to the overall impression. In terms of distinctiveness, the verbal element TOURISTIK is likely to be understood as being descriptive of at least some of the services applied for. Both PEGAS and the winged horse are perfectly distinctive and so these have greater relative weight in respect of the mark's overall impression. Likewise, in respect of the earlier trade mark, the position is very similar. It is comprised of a device and verbal element with PEGASUS being appreciated first and swiftly followed by the winged horse which is clearly not negligible within the mark and which makes a significant contribution to the overall impression. The element AIRLINES is clearly descriptive. The result is that the elements PEGASUS and the winged horse are distinctive and have more relative weight in the marks' overall impression.
35. Visually, the marks share the following letters PEGAS. They also each contain a device of a winged horse. They differ in respect of colour schemes and overall presentation. Further, the earlier trade mark spells out PEGASUS and includes the word AIRLINE. The final two letters of PEGASUS (US) are absent in the later mark and there is an additional word TOURISTIK. There is considered to be a moderate degree of visual similarity.

O-290-15

36. Aurally, the matter is similar. The marks coincide in respect of PEGAS which is likely to be articulated first in each of the marks. They differ as regards the respective additional/absent elements already described. They are aurally similar to only a low degree.
37. Conceptually, it is noted that PEGASUS is the name of a winged horse from Greek mythology, clearly represented pictorially in each of the logo trade marks here. It is true that the later mark does not include the complete word PEGASUS. Rather, it is PEGAS. However it is considered that this does not detract from the mark's concept, which is clearly the winged horse, PEGASUS. The marks are conceptually identical.

Average consumer and the purchasing act

38. 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*.
39. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:
- “60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”
40. The average consumer here will be both the public at large and the business traveller. The airline services in question are relatively expensive and are purchased or accessed fairly infrequently. They will be selected with a higher than average degree of care and attention. The information services are likely to attract at least a moderate degree of attention bearing in mind their subject matter and relative importance. It is considered that the degree of attention that will be displayed will be at least moderate.

Distinctive character of the earlier trade mark

O-290-15

41. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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 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).”

42. There has been no claim from the opponent that its earlier trade mark enjoys an enhanced distinctive character. However, the word and concept PEGASUS has no clear meaning in respect of airline services and in considering the mark in totality is considered to be fairly highly distinctive.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

43. 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;

O-290-15

- (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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

O-290-15

44. In this case it is true that some of the contested services have been found to be similar only to a low degree. However the marks are visually similar to a moderate degree and notably are conceptually identical. The earlier trade mark is fairly highly distinctive with the core of the distinctiveness, namely the winged horse named Pegasus being common to the respective trade marks. In this respect, the following guidance is helpful: In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out".

45. Further, although it is true that these services are always likely to be more considered and as such at least a moderate level of attention is likely to be displayed, the shared concept provides a clear hook in the mind of the average consumer and the level of similarity between the marks is such that it is considered that the average consumer is likely to be mistake one for the other. It is considered that there is a likelihood of direct confusion.

46. In the event this is considered to be incorrect, the following guidance is helpful:

In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, Mr Iain Purvis Q.C. as the Appointed Person noted that:

"16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that

O-290-15

these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

47. In this instance, each mark contains a winged horse device albeit presented in different colours. Even if the differences in presentation are noticed, the concept in each is strong, distinctive and is identical. The later mark may therefore be seen as a brand variant or otherwise related to the earlier airline service provider. As such, indirect confusion is also considered likely to occur.

48. The sum of all this is that the opposition succeeds in respect of the services found to be similar namely:

Class 39:

Intermediary services or tourist information services (except for reserving hotels, boarding houses), in connection with travel information and transport information including information on service prices, timetables and means of transport.

O-290-15

Class 43:

Temporary accommodation; hotel reservations, rental of temporary accommodation; temporary accommodation reservations.

49. It fails in respect of the remaining services. As such, the following will proceed to registration:

Class 35

Business management; business administration; office functions.

Class 41

Sporting and cultural activities; club services (entertainment or education); health club services; boarding schools; bowling alleys; providing billiard rooms; entertainer services in particular singers and dancers.

Class 43

Restaurant services

50. It is noted that there is a remaining earlier (word only) trade mark which has not been considered. However, nothing turns on this point. Even if a finding on use of this mark had been made it would have no consequence as it would in any case have been restricted to airline services. Further, the device of the winged horse in the earlier mark already considered brings the respective marks even closer together. It is of course absent in the earlier word mark meaning that it only puts the opponent in a relatively weaker position. As such it will not be considered.

COSTS

51. Each party has achieved a measure of success in these proceedings. I therefore order that each should bear its own costs.

Dated this 22nd day of June 2015

Louise White

For the Registrar,