

O-331-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 3079248
FOR THE TRADE MARK

CIRCUIT

IN CLASSES 38 AND 42
IN THE NAME OF UNIFY GMBH & CO KG

AND

OPPOSITION THERETO UNDER NO 404545
BY FEDOUA ERRIZANI

Background

1. Application No 3079248 stands in the name of Unify GmbH & Co KG (“the applicant”), has a filing date of 29 October 2014 and a priority date of 21 August 2014. It was published in the *Trade Marks Journal* on 27 March 2015. The application seeks registration of the trade mark CIRCUIT for the following services:

Class 38

Providing multimodal cloud based communication services

Class 42

Software as a service

2. A notice of opposition was filed by Fedoua Errizani (“the opponent”) who relies on a single ground under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) based on European Union Trade Mark (“EUTM”) 12582227 for the trade mark CIRQUIT which is registered for a wide range of services in classes 35, 38, 41 and 42. This mark was applied for on 10 February 2014 and was entered in the register on 11 September 2014. It is therefore an earlier mark within the meaning of Section 6 of the Act but, given that it had not been registered more than five years, prior to the publication date of the application under opposition, it is not subject to the requirement that proof of its use be shown. The opponent is therefore entitled to rely on the earlier mark in respect of all the services for which it is registered.

3. The applicant file a counterstatement denying the grounds of opposition.

4. The applicant filed evidence in the form of a witness statement by James Philip Cornish, who is a registered trade mark attorney with Page White & Farrer, its professional representatives in these proceedings. Much of its content is in the form of submissions rather than evidence and for this reason I do not intend to set it out in full here but have taken it into account and will refer to it as necessary later in this decision. The opponent filed written submissions in lieu of evidence. The applicant filed a skeleton argument.

5. Matters came before me for a hearing on 28 June 2016 where the applicant was represented by Mr Michael Hicks of counsel. The opponent did not attend and was not represented though written submissions were filed in lieu of attendance on his behalf. I have read and take all of the written material and oral submission into account in making my decision.

Decision

6. The single ground of opposition is founded on section 5(2)(b) of the Act which states:

“5(2) A trade mark shall not be registered if because-

(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”.

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

Comparison of services

8. Whilst, in its notice of opposition, the opponent indicates that it relies on the earlier mark in respect of each of the services for which it is registered, in its written submissions it states:

“We do not propose to draw a comparison between all of the services covered by the Opponent’s earlier rights but will refer specifically to the services in class 38 and 42 that are clearly identical to the services for which registration is sought by the Applicant or, in the alternative, highly similar.”

Taking this into account, the services to be compared are:

Opponent’s services	Applicant’s services
<p>Class 38 telecommunications; communication services; telecommunication access services; communications by computer; communication between computers;</p> <p>Class 42 Software programming; development of software solutions; hosting computer software applications of others; provision of computer services to enable the customisation of software for use with electronic and digital advertising.</p>	<p>Class 38 Providing multimodal cloud based communication services</p> <p>Class 42 Software as a service</p>

9. In the judgment of the Court of Justice of the European Union 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”.

10. 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.

11. In *Kurt Hesse v OHIM*, Case C-50/15 P, The CJEU stated that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonisation in the*

Internal Market (Trade Marks and Designs) (OHIM), Case T-325/06, the General Court stated that “complementary” means:

“...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”.

12. In *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

13. In *YouView TV Ltd v Total Ltd* ,[2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... 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."

14. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations"... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context."

15. 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."

16. Finally, in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated:

"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 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”.

17. The opponent submits that the applicant’s services in class 38 would be covered by the general term “telecommunications” as is included within its specification in the same class and that therefore these are identical services. Whilst indicating that its comments are made only in the context of these proceedings, the applicant accepts this. I agree. These are, on the basis set out in *Meric*, identical services.

18. As for the respective services in class 42, whilst the opponent submits that these are services which are identical (or, in the alternative, highly similar) to its named services, it makes no further submissions as to why it arrives at this conclusion. For its part, the applicant submits that its services are not covered by the opponent’s claimed services and there is no identity or similarity of services in relation to the services in this class. It submits:

“While both sets of services refer to software, the nature of the services are different. “Software programming” and “development of software solutions” are distinct activities. “Hosting computer software applications of others” is a specific hosting activity, which is not software as a service. The final service relied upon by the Opponent relates to “...the customisation of software”. Again this is software development.”

19. At the hearing, Mr Hicks expanded on this slightly. He submitted that the respective services are technical ones and not easy to define. He submitted that whilst the respective services all centre on software, they were not similar as the opponent’s programming, development and customisation services are, essentially, creative activities whereas the applicant’s services are those of delivery. In the alternative, he submitted that any similarity between the respective services in this class is, at best, a low one.

20. The applicant’s services in this class are “software as a service” (“SaaS”). The applicant submits this is “the provision of centrally held software licenced [to the user] on a subscription basis”. My understanding of SaaS is that it is a term of art in

cloud computing referring to a shared resource environment which consists of software developed and hosted by the vendor and to which the end user has access over the Internet by way of a licence or subscription thereby avoiding the need for that end user to develop and maintain its own version. They are services most likely to be used by businesses to enable them to carry out certain processes to suit the specific needs of those businesses. Whilst I accept that the applicant's services are ones which "deliver" to the customer, they provide a software solution to the user and are services which may be created, developed and/or customised to the business's particular needs. If not identical to (at least) the opponent's *development of software solutions* they are of the highest similarity to them and there is complementarity between them.

The average consumer and the nature of the purchasing process

21. 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*.

22. 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."

23. The average consumer of the respective services is most likely to be a business user. They are services for which the purchasing act is most likely to be visual given that the purchaser is likely to seek them out via the Internet or through promotional

brochures, for example. Whilst it is likely to be to a much lesser extent, I do not rule out the potential for oral use through personal recommendation and therefore aural considerations must also be borne in mind. Each of the respective services are ones which may vary widely in price depending on their complexity and/or need to be tailored to specific requirements and, given their nature and likely importance to a business, a higher than average (though not necessarily the highest) degree of care is likely to be paid to the purchase in respect of each of them.

Comparison of marks

24. 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 them, 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 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.”

25. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them.

26. The marks to be compared are:

Earlier mark	Application
CIRQUIT	CIRQUIT

27. The earlier mark is made up of seven letters, all presented in upper case. Whilst I accept that some letters are less commonly used in English than others, I reject the applicant's submissions that the letter Q is an unusual one which is visually striking within the mark and find that as no part of the mark is highlighted in any way, the distinctiveness of the mark rests in its whole. The mark of the application is also made up of seven letters, all presented in upper case, no part of which is highlighted in any way. Its distinctiveness also rests in its whole.

28. On a visual comparison, Mr Hicks accepts that there is some similarity between the marks but submitted that the presence of the unusual letter Q reduces the extent of that similarity. Visually, the only difference between the two marks is the use of the letters Q or C as the fourth letter within them. Both of these are "rounded" letters. I consider there is a relatively high degree of visual similarity between the two marks.

29. The opponent submits that both marks will be pronounced in the same way "as a result of the formulation and inference of the first syllable identified". I disagree. The earlier mark is most likely to be articulated as sir-kwit whilst the mark of the application will be articulated as sir-kit. Both marks consist of two syllables and, given that both marks 1) coincide in relation to the first syllable 2) the second syllable (and marks) end in 'it' and 3) potentially they differ only in respect of the K or KW sound in the middle, there is a relatively high degree of aural similarity between them.

30. The word CIRCUIT is, as the applicant accepts, an ordinary dictionary word which is well-known and in everyday use and also has a meaning in relation to telecommunications and electronics, whether referring to a virtual or a physical circuit. Whilst the earlier mark is not, as far as I am aware, a known word in the English language, it is likely to be seen by a significant section of average consumers as a play on the word CIRCUIT. For those that see it in this way, there will be conceptual similarity. For others, the mark will be seen as an invented word with no particular meaning and the conceptual position will be neutral.

Distinctiveness of the earlier mark

31. 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).”

32. The witness statement filed by the opponent does not provide details of any use of the earlier mark. That being so, I have only its inherent distinctiveness to consider. As I indicated above, the word CIRQUIT is not a known word in the English language but is likely to be seen as a play on the word CIRCUIT. I consider it to be a mark with a degree of inherent distinctive character which is slightly higher than average.

Likelihood of confusion

33. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first 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. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

34. Earlier in this decision I found:

- The respective services to be identical (or at least of the highest similarity);
- The average consumer for the respective services will be a business who will purchase them with a higher than average (though not necessarily the highest) degree of care;
- The respective marks are visually and aurally similar to a relatively high degree. A significant number will see the earlier mark as a play on the word CIRCUIT leading to conceptual similarity. For others, the mark will be seen as an invented word with no particular meaning and the conceptual position will be neutral.
- The earlier mark has a slightly higher than average degree of inherent distinctive character which has not been shown to have been enhanced through its use.

35. Taking all matters into account, and despite the higher than average degree of care taken over the purchase, the visual and aural similarities are such that I find there is a likelihood of direct confusion between the marks.

Summary

36. The opposition brought on grounds under section 5(2)(b) of the Act succeeds.

Costs

37. The opponent having succeeded is entitled to an award of costs. I make the award on the following basis:

Preparing a statement and considering the other side's statement:	£200
Fee:	£100
Reviewing evidence:	£500
Preparation of submissions in lieu of evidence:	£200
Preparation of submissions in lieu of attendance at the hearing:	£200
Total:	£1,200

38. I order Unify GmbH & Co KG to pay Fedoua Errizani the sum of £1,200 as a contribution towards his costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of July 2016

**Ann Corbett
For the Registrar
The Comptroller-General**