

**O-555-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 3127213  
BY IIBM LTD  
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 35:**



**AND**

**OPPOSITION THERETO (NO. 405796) BY INTERNATIONAL BUSINESS  
MACHINES CORPORATION**

## Background and pleadings

1. This dispute concerns whether the following trade mark should be registered:



Class 35: Offering business management advice, and corporate and personal innovation to Managing Directors and Business owners directly and through the Internet

2. The mark was filed on 16 September 2015 by IIBM Ltd (“the applicant”) and it was published for opposition purposes on 9 October 2015.

3. International Business Machines Corporation (“the opponent”) opposes the registration of the mark on grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opponent relies on seven earlier marks (i)–vii) below) under section 5(2) and six earlier marks (ii) – vii) below) under section 5(3):

- i) UK registration 1286663 for the mark **IBM** which was filed on 1 October 1986 and registered on 9 February 1990. The mark is relied upon in respect of the following class 35 services:


Business planning, research, evaluation and supervisory services, all in relation to the business use of data processing apparatus, computers, office machines, business machines, communications apparatus or information technology


- ii) European Union trade mark (“EUTM”) registration 3630282 for the mark **IBM** which was filed on 29 January 2004 and registered on 22 July 2005.


Under section 5(2)(b) the opponent relies on the following class 35 services of the registration:

“Business management and consultancy”

Under section 5(3) it relies on the same services, but, additionally, computer hardware and computer software in class 9.

iii) EUTM registration 3630258 for the mark  which was filed of 29 January 2004 and registered on 30 June 2005, relying on the same services as per mark ii) for both section 5(2) and 5(3).

iv) International Registration (“IR”) 1079460 for the mark  which designated the EU for protection on 21 December 2010 with protection being conferred on 3 May 2012. The mark is relied upon for the same services as per mark ii) for both sections 5(2) and 5(3).

v) EUTM registration 349704 for the mark  which was filed on 29 July 1996 and registered on 4 August 1998. The mark is relied upon (for both section 5(2) and 5(3)) for the following services:

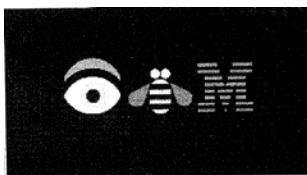
**Class 9:** Computers; computer programs

**Class 42:** Design of computer programs, advice relating to computers and data processing techniques, consulting services related to computers and computer programs.

vi) IR 1132409 for the mark “**BCASE: IBM BUSINESS PARTNER SALES ENABLEMENT APP FOR MIDSIZE BUSINESSES**” which designated the EU for protection on 20 July 2012 with protection being conferred on 27 August 2013. The mark is relied upon for “business management and consultancy” in class 35 for both section 5(2) and 5(3).

- vii) IR 1118589 for the mark “**IBM SOCIAL BUSINESS**” which designated the EU for protection on 27 March 2012 with protection being conferred on 2 May 2013. The mark is relied upon (for both section 5(2) and 5(3)) in respect of “computers; computer software” in class 9 and various computer and computer programming services in class 42.

4. Under section 5(4)(a) the opponent relies on signs corresponding to the above marks, relying on corresponding goods and services. It additionally relies on the use of the following signs:



since 1981 in relation to computer software, computer hardware, business management and consultancy services, and:



since the late 1990s in relation to computer hardware and computer software.

5. The essence of the opponent's case is that:

- i) The services are identical or similar.
- ii) The dominant part of the applicant's mark is iIBM.
- iii) The differences in casing is unlikely to be “remarked upon by the average consumer – particularly bearing in mind the possibility of imperfect recollection”.
- iv) Conceptually there is nothing to distinguish and the additional letter i at the beginning of the applicant's mark adds little distinctive character.

- v) The marks have a reputation in relation to business management and consultancy services.
- vi) There exists a likelihood of confusion in view of the above.
- vii) The use of the applicant's mark would also dilute or tarnish the opponent's mark, or would enable the applicant to free-ride upon the opponent's reputation.
- viii) There would also be passing-off due to the use of the signs, including use of variants of the opponent's marks.

I note that in its written submissions, the opponent identifies sections 5(2)(b) and 5(3), based on earlier marks ii, iii and iv above, as representing its strongest case(s).

6. In relation to the earlier marks, marks iv), vi) and vii) have been registered/protected for less than five years which means that there is no requirement for them to have been genuinely used in order for them to be relied upon. However, the other marks, all having been registered/protected for five years or more, are subject to the proof of use requirements set out in section 6A of the Act.

7. The applicant filed a counterstatement denying the claims. I note the following:

- i) The applicant did not put the opponent to proof of use of its earlier marks, consequently, all of the earlier marks may be relied upon by the opponent to the extent set out in its pleadings.
- ii) That when the opponent reproduced the competing marks in its statement of case, the size and font was manipulated to show greater similarity.
- iii) The businesses have different target markets with the applicant targeting business owners and managing directors.
- iv) The Company Names Tribunal has already held in the applicant's favour in case no 661.
- v) The services are different (numerous submissions are made along these lines) and the selection of computer software/hardware is left to the applicant's customers after the services of the applicant have been used.
- vi) The opponent is more focused on machines and software.
- vii) The consumers of the services are highly skilled and intelligent.

viii) The respective trade marks show no resemblance.

8. The opponent is represented by IBM United Kingdom Limited. The applicant is self-represented. Both sides filed evidence. Neither side requested a hearing, both opting to file written submissions in lieu of attendance.

### **The evidence**

#### *The opponent's evidence*

9. This comes from Ms Justine Pyecroft, a patent attorney working for the opponent's representative. I do not consider it necessary to comment directly upon much of the opponent's evidence. It is clear from the evidence filed that the opponent has used the marks IBM and ~~IBM~~ for some time and this does not appear to be seriously disputed by the applicant. Indeed, a good deal of the points made by the applicant are based upon the differences between the services the applicant offers and the services for which the opponent is known. I consider the marks to be very well known in the UK at least in relation to IT based goods and services.

10. A question does arise as to whether the earlier marks have a reputation for business services. There is some evidence of this taken from the opponent's website and other materials which show a broad range of activity, albeit, with a focus on IT or e-commerce. I consider the reputation would extend to business consultation in such fields also, but no more than that.

11. The evidence also includes a copy of the decision issued by the Company Names Tribunal referred to by the applicant in its counter-statement. I return to this below. Any other aspects of the evidence will be returned to only if it becomes necessary to do so.

#### *The applicant's evidence*

12. This comes from Mr Jonathan Geoegiades, the applicant's managing director. Much of his evidence is based upon what he sees as a key difference between the

type of services his company offers, and those provided by the opponent, the difference in business models as he calls it. For reasons that will become apparent, I do not consider it necessary to detail his evidence in relation to this in any further detail, beyond highlighting that the applicant's services do not have a specific focus on IT; the service is described on the front of the applicant's brochure when it is explained that the business was set-up in 2013 by Mr Georgiades:

“whose vision was to reignite other Managing Directors' inspiration, which might have, over the years, become clouded”

13. Mr Georgiades makes a number of comments about the reputation of the earlier marks. He does not suggest that the marks are not known, but suggests that the reputation has become sullied over the years and that it has been left behind by young start-ups such as Google, Apple and Microsoft. Whilst he provides evidence of an article about IBM and that comments have been left in response to it showing that some people are less enamoured with IBM than they used to be, I do not consider that this has any material impact in terms of the existence of a reputation as I have held above.

14. Whilst the witness adds a lot more, I consider that this is all that needs to be said for the moment.

### **Section 5(2)(b)**

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

“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,

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

16. The following principles are gleaned from the judgments 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.

(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 greater degree of similarity between the marks, and vice versa;

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

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

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **The earlier decision of the Company Names Tribunal**

17. The applicant has referred to a decision reached by the Company Names Tribunal in which it was successful. The opponent also refers to this decision in support of its position because even though it lost the case, it succeeded in showing that there was sufficient connection between the names in question and that it was held that its interests could be affected. Whilst I have noted the decision and have borne it in mind, I consider that it has very little pertinence to the matters that I must determine. I say this for the following reasons:

- i) The names that were being considered there (where a sufficient connection was found) do not mirror the trade marks in question here.
- ii) The sufficient connection test does not factor in the competing services that are at issue here, nor the nature of the average consumer.

- iii) The success of the applicant (the respondent in the previous case) was based on good faith, an issue that does not arise in these proceedings.

### **The notional assessment**

18. It is at this point that I turn to the applicant's points about the differing business models, points which are also repeated in its written submissions. Put simply, the points made are not pertinent. This is because the test before this tribunal is a notional one, based upon the notional and fair use of the competing marks in respect of the services for which they are applied, or in the case of the opponent's marks, relied upon. The applicant did not put the opponent to proof of use, meaning that the opponent may rely upon its identified services. It is not restricted to any form of IT based services unless the term relied on is worded in a way which self-restricts its protection. In relation to the applicant's services, even though it considers that its services are offered in a particular niche/innovative manner, it is the specification applied for that must be considered.

19. For the purposes of section 5(2)(b), the position can best be illustrated by highlighting the fact that one of the earlier marks, EUTM 3630282, which consists of the mark **IBM**, is registered and relied upon for "Business management and consultancy" in class 35. Such a term is unfettered by an IT focus and must be taken to include **all** forms and types of business management and consultancy in class 35. I intend to focus on this mark under section 5(2)(b), returning to the other earlier marks only if need be. This, of course, is one of the earlier marks the opponent identified as representing its best case.

### **Comparison of services**

20. The applicant seeks to register its mark for the following services:

Class 35: Offering business management advice, and corporate and personal innovation to Managing Directors and Business owners directly and through the Internet

21. I consider all of the above to be forms of business consultancy. Given the specification of the opponent's **IBM** mark, which covers all forms of business management and consultancy, the applied for services must be considered as identical given that one term falls within the ambit of the other as per the decision in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 (*'Meric'*):

“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 fur 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”.

#### **Average consumer and the purchasing act**

22. 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. 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. In its counter-statement, the applicant states that the average consumer is highly skilled and intelligent. In its submissions the opponent just refers to the basic principle

that the average consumer is deemed to be reasonably observant and circumspect. The conflicting services are business to business services, and are of the type where, in my view, a higher than average level of care and consideration will be used when selecting a service provider.

24. Whilst it may be the case that the marks will be encountered most often in visual form (such as websites, brochures, advertising matter), the aural impact should not be ignored completely as the marks may be subject to word of mouth recommendations and discussions, including telephone exchanges between a business and a potential supplier.

### **Comparison of marks**

25. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

26. 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.

27. The marks to be compared are:



and

## **IBM**

28. In its counter-statement the applicant criticised the opponent for the way in which it reproduced the respective marks in its statement of case. The marks set out above replicate those applied for/registered (or at least the registered mark I am focusing upon). Any point about the size of the mark is not pertinent because a mark is not limited to a size and can be varied. The above reflects what I consider a normal application of the marks for comparative purposes.

29. In terms of overall impression, the earlier mark consists of the letters IBM. It will be seen as a string of three letters with no single letter dominating the others. In terms of the applicant's mark, the strapline KEEPING TWO EYES IN BUSINESS MANAGEMENT (which the opponent submits is "too small for ready appreciation") is much smaller and has less visual impact than the letters iiBM, although, it is not negligible. In terms of those letters, they will also be seen as a string of letters despite the fact that BM is in capitals. The dots above the two I's are intended to portray eyes. However, this in my view has only a minor impact because they are not easily discernable and will only be noticed upon close inspection irrespective of the fact that the strapline could be said to create a pun. The circle upon which the letters and strapline appear is minor in significance and impact. In summary, the impacts of the various elements, and their order of significance, are as follows: iiBM strongly dominates the mark; the strapline has some weight, although not significant; the eyes have quite limited weight; the circular element has very little weight.

30. Visually, both marks contain the letters IBM as part of the dominant/only component of the respective marks. However, the I is in lowercase in the applied for mark and the applied for mark also has an additional lower case i. There are further differences on account of the inclusion of the strapline, eyes and circular element, although, the impact of such differences must be weighed against my assessment of the applied for mark's overall impression. Overall, I consider that there is a medium degree of visual similarity.

31. Aurally, the earlier mark will be articulated as AYE-BE-EM. Due to the lesser role the strapline plays in the applied for mark's overall impression, it is possible that the mark will be articulated purely upon the basis of its four letter string, with the resultant articulation being AYE-AYE-BE-EM. Despite the additional syllable at the beginning of the applied for mark, I still consider that there is a high degree of aural similarity. However, even if the strapline were to be articulated, creating a much longer form, the presence at the start of the articulations of AYE-BE-EM/AYE-AYE-/BE-EM means that there is still a medium degree of aural similarity.

32. Conceptually, the letters in the respective marks have no obvious meaning that the average consumer will appreciate, no "conceptual tag" as the opponent calls it in its submissions. It could be said that the strapline in the applied for mark informs the average consumer that BM stands for BUSINESS MANAGEMENT and "ii" is meant to represent physical eyes, however, given the less weight the strapline has in the mark, coupled with the mental process the average consumer would have to go through to interpret the pun, means, in my view, that the letters are more likely to just be seen for what they are, letters. Whilst letters have a concept as letters, this does not create a strong conceptual hook and I feel that the resulting conceptual similarity is neutral.

### **Distinctive character of the earlier mark**

33. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). 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).”

34. From an inherent perspective, the letters IBM have no obvious connotation. Letters may not be regarded, generally speaking, as being of great distinctive character, however, a combination of three is, in my view, reasonably distinctive from an inherent perspective.

35. That then leads to the use that has been made of the marks. I accept that in relation to business consultation in the IT/ecommerce field, the mark should be regarded as highly distinctive.

### **Likelihood of confusion**

36. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel*

*BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

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

37. The fact that the average consumer is likely to pay a higher than average degree of care and consideration when selecting the services impacts upon the propensity for imperfect recollection. However, whilst I accept that the effects of imperfect recollection may diminish somewhat, there is still some room for imperfect recollection to operate. From that perspective, I consider that the double ii/single i difference may be something that is overlooked due to an imperfect recollection of the competing marks being made. The same could be said of the eyes which play only a very minor role. That said, the visual impact of the lower case i and that there is some form of strapline, may be something that is retained. This results in indirect confusion having the greatest potential for the opponent.

38. Imperfect recollection still has a role to play in indirect confusion with my earlier comments regarding the double/single letter “l” being overlooked, as could the pictures of eyes. I do not consider that the presence of the strapline has significant weight in avoiding indirect confusion (irrespective of the pun) because the average consumer will just regard this as an extra element added to the presentation of the mark. Given both these factors, it is in my view likely that the average consumer will regard the identical services at issue being the responsibility of the same or related undertaking. The mental process involved would be an assumption that the common presence of the letters is indicative of a slight change in presentation of the brand, together with the addition of a strapline for promotional purposes. This would be so even if the eyes were noticed. My finding is that there is a likelihood of confusion for these reasons. The opposition succeeds. I should add that I have not found it necessary to refer in this finding to the reputation of the earlier mark. Even on an inherent basis the earlier mark is still reasonably distinctive. I note that the opponent also argued that the additional “i” in the applied for mark could be put down to this being an Internet version

of iBM (hence iiBM); I am not overly persuaded by this argument, but as I have already found for the opponent this takes matters no further forward.

### **Other grounds**

39. Given my findings, I do not consider it necessary to consider the other marks/grounds.

### **Conclusion**

40. The opposition is successful and the application is to be refused registration

### **Costs**

41. The opponent has been successful and it is entitled to a contribution towards its costs. My assessment is set out below.

*Official fee - £200*

*Preparing a statement of case and considering the counter-statement - £300*

*Filing and considering evidence (including submissions) - £600*

Written submissions - £400

***Total - £1500***

42. I order IIBM Limited to pay IBM United Kingdom Limited the sum of £1500 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 24th day of November 2016**

**Oliver Morris**

**For the Registrar,**

**The Comptroller-General**