

**O-043-17**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 3104670  
BY 3SQUARED LTD  
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 9:**

**SMARTVEST**

**AND**

**OPPOSITION THERETO (NO. 600000423) BY ABUS SECURITY-CENTER GMBH  
& CO. KG**

## **Background and pleadings**

1. This dispute concerns whether the trade mark identified on the cover page of this decision should be registered. It was filed on 20 April 2015 by 3SQUARED LTD (“the applicant”) and was published for opposition purposes on 25 March 2016.
2. Registration of the mark is opposed by ABUS Security-Centre GmbH & CO. KG (“the opponent”) under the fast track opposition procedure. The opponent finds its case on grounds under sections 5(1) and 5(2)(a) of the Trade Marks Act 1994 (“the Act”), relying on a single earlier trade mark, namely: European Union Trade Mark (“EUTM”) 13712377. The earlier mark was filed on 5 February 2015 and was registered on 1 July 2015.
3. The conflict boils down to a clash between the following marks:

<b>Applicant’s mark and goods</b>	<b>Opponent’s mark and goods/services<sup>1</sup></b>
<b>SMARTVEST</b>	<b>Smartvest</b>
<b>Class 9:</b> Software in relation to the field of health and safety in construction and infrastructure environments.	<b>Class 9:</b> Data processing hardware, Data processing apparatus, Computers; Computer software.  <b>Class 42:</b> Design and development of computer hardware and software; Computer programming; Computer system analysis, Recovery of computer data; Maintenance of software; Hiring out data processing equipment.

4. The applicant filed a counterstatement denying the grounds of opposition. I will set out later its grounds for doing so.

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<sup>1</sup> The opponent’s mark covers more goods and services, but only those set out in the table are relied upon.

5. Rules 20(1)-(3) of the Trade Marks Rules 2008 (as amended) (the provisions which provide for the filing of evidence) do not apply to fast track oppositions, but Rule 20(4) does. It reads:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”

6. The net effect of the above is to require parties to seek leave in order to file evidence (other than proof of use evidence, if required, which it is not in this case) in fast track oppositions. No leave was sought by the opponent. The applicant did seek leave, however, it was subsequently asked to explain the type of evidence it wished to file in order for the tribunal to decide whether it should accede to the applicant’s request. No response was received, so no leave has been granted.

7. Rule 62(5) states that arguments in fast track proceedings shall be heard orally only if i) the Office requests it or ii) either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost. Otherwise written arguments will be taken. A hearing was neither requested nor considered necessary. Neither party filed written submissions.

### **The legislation**

8. Sections 5(1) and 5(2)(a) read as follows:

“5(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier mark is protected.

5(2) A trade mark shall not be registered if because – ..

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected,

(b) .....

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

9. As can be seen, both pleaded grounds require the marks at issue to be identical. However, in relation to the goods/services, section 5(1) only operates in relation to identical goods/services whereas section 5(2)(a) operates in relation to similar goods and services. Section 5(2)(a) also requires an assessment as to whether or not a likelihood of confusion exists. I will begin by commenting on the marks and the goods/services.

### **The marks – identical?**

10. I do not intend to spend a great deal of time on this question. This is because the applicant has not denied that the marks are identical. Whilst I accept that it did not positively accept identity, it provided no submissions to explain why the marks should not be considered identical.

11. The marks in question are SMARTVEST and Smartvest. They are both clearly made up of the same two words conjoined. The only difference is in relation to the casing. However, notional use of either mark will include use in both upper and upper/lower case. Thus, there is no difference between them. Further, any doubt on this is removed by the guidance provided by the Court of Justice of the European Union (“CJEU”) in *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA* [2003] FSR 34 where it was stated

“54. In those circumstances, the answer to the question referred must be that Art.5(1)(a) of the Directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

12. Therefore, even if I am wrong about the casing point, I consider that the differences between the marks inherent in their respective casings is so insignificant that it may go unnoticed by the average consumer and, thus, the marks may still be considered identical.

### **The goods – identical?**

13. The opponent's case is that the applied for goods are identical to "computer software" covered by class 9 of its earlier mark.

14. The applicant has denied the above on the following basis:

"The Applicant submits in response that "software" and "computer software" cannot be held to be identical. Whilst the term "software" may have started out as having a clear association with "computers", that cannot to be held to be the case today. "Software" has evolved massively since its evolution and one cannot and should not possibly assume that all ""software" relates to "computers". In addition to this, the Applicant's specification clearly defines what the "software" relates to, i.e. "software in the field of health and safety in construction and infrastructure environments".

15. Later in its counterstatement the applicant points out that the opponent is involved in security, including the fitting of alarms and video surveillance systems.

16. Goods can be considered identical if one term falls within the ambit of the other (and vice versa), 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".

17. The point made about the specificity of the applicant's specification does not assist. This is because the computer software of the earlier mark is not limited, and, therefore, notionally covers all forms of computer software, including the type specified by the applicant.

18. That then leads to the point about software not just being associated with computers. There are two main problems with the submission. First, the applied for specification "software in relation to..." includes within its ambit computer software. Therefore, on the principle outlined in the *Meric* case, the goods are still identical (even in relation to the specified form of software for the reasons given in the preceding paragraph).

19. Second, whilst software can be used in association with other items (such as mobile phones, tablets, and even, potentially, items of industrial machinery to facilitate their operation), the purpose of any software is to provide some form of computational operation. Therefore, the term computer software covers, in my view, not just software for use in relation to desktop computers and laptops, but also in relation to any device which performs some form of computational task. The goods would still, therefore, be identical.

### **The goods/services – similar?**

20. When making a comparison, all relevant factors relating to the goods/services in issue should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

"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."

21. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) 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;

(f) 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.”

22. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06, it was stated:

“It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-

757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri* (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

23. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, 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. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston.”

24. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”<sup>2</sup> and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning<sup>3</sup>. I also note the judgment of Mr Justice Floyd (as he then was) in *YouView TV Limited v Total Limited* where he stated:

“..... 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) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49].

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<sup>2</sup> See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

<sup>3</sup> See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267



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."

25. The opponent's case is that the applied for specification is similar to its data processing hardware, data processing apparatus and computers because "they are often sold together as a unit, or purchased at the same time from the same outlets. The users are the same, and there is a reasonable expectation that the supplier of one of these goods will also supply the other, as that is very common in the market place." It is also the opponent's case that the applied for specification is similar to its "design and development of computer hardware and software, computer programming recovery of computer data, maintenance of software and hiring out of data processing equipment because "they are highly complementary services to the supply of computer software goods. Such services are often provided together with the computer software goods. The users are often the same, and there is a reasonable expectation that the supplier of these services will also supply goods, as that is very common in the market place".

26. The applicant denies that the goods/services are similar on the basis that there is no reason to believe that someone would assume that the goods/services emanate from the same undertaking. It states that the applicant does not provide any of the services and it is highly unlikely that the opponent would supply the applicant's goods. It states that it is unlikely that the same trade channels would be used. It suggests that its goods may be better described as "software in relation to monitoring and communicating with wearable devices worn by personnel in construction and infrastructure environments for health and safety purposes" and, therefore, will be sold to industrial consumers, principally in the areas of construction and infrastructure. It additionally makes the point about the terms software/computer software (as referred to earlier) and that the opponent operates in the security field.

27. It is unnecessary to consider the position against all of the terms of the earlier mark. I will focus on what I consider to be the most similar, which seems to me to be the computer programming services in class 42. The points I made earlier about the terms computer software/software apply in equal measure here, as does any point about the specificity of the applied for specification. What one is left with is that, notionally, the computer programming service may be one which operates and provides computer programming services in the same field as the applicant, be it as per the current specification or even that which reflects the “better described” explanation mentioned by the applicant. It seems to me that this leaves at least a reasonable degree of similarity. Whilst the nature of goods and services are always inherently different, the end purpose is similar. Further, the average consumer may elect to either purchase software off the shelf or may alternatively elect to use a computer programming service to create a bespoke product, so creating an aspect of competition. The users could be the same, particularly bearing in mind the notionally similar field in which the goods/services may operate.

#### **Section 5(1) - conclusions**

28. I have held the marks to be identical and the goods to be identical. This means that the ground of opposition must succeed. The applicants mark is to be refused registration for this reason alone.

#### **Section 5(2)(a) - conclusions**

29. The finding under section 5(1) disposes of matters. However, I will still give some brief views. Before doing so, I record below various principles 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.

- (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) 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;

(e) 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;

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

(g) 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;

(h) 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.

### **Marks and goods/services**

30. The assessments have already been made above.

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

31. 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.”

32. The goods and services, where they clash, are, I accept, more likely to be directed to those in industry than to the general public. Given this, and given what is actually involved (software/programming etc), I also accept that a degree of care and consideration above the norm will be deployed, although this is unlikely to be the very highest level of care and consideration. The goods/services may be selected after pursuing websites and brochures and speaking to providers etc.

### **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. Smartvest makes no particular suggestive nod to the services which are relied upon. Whilst it may not have the highest level of distinctive character as, for example, an invented word, it nevertheless has a reasonable degree of distinctive character.

### **Likelihood of confusion**

35. 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.

36. Notwithstanding that the selection process may be more considered than the norm, I come to the view that there is a likelihood of confusion. The marks are identical and the earlier mark possessed of a reasonable degree of distinctive character. The goods/services are, at least, reasonably similar. The average consumer will assume, given all of this, that the goods/services (which notionally cover the same field) are the responsibility of the same or an economically linked undertaking. They will believe that

the identical marks in question are simply being used by different parts of the same operation, the one being a ready-made piece of software, the other a service to create a bespoke version. The ground under section 5(2)(a) also succeeds. I should add for sake of completeness that the fact (as pointed out by the applicant) that the earlier mark was not brought to the applicant's attention by the examiner as part of the examination process is not telling. I must consider the matter afresh.

### **Conclusion**

37. The opposition succeeds. Subject to appeal, the applicant's mark is to be refused.

### **Costs**

38. The opponent having been successful, it is entitled to a contribution towards its costs. My assessment is set out below:


*Official fee – £100*

*Preparing a statement and considering the other side's statement - £200*

**Total - £300**

39. I order 3SQUARED LTD to pay ABUS Security-Centre GmbH & CO. KG the sum of £300 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 3rd day of February 2017**



**Oliver Morris**

**For the Registrar,**

**The Comptroller-General**