

O-031-18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3147698
BY ECOTRICITY GROUP LIMITED TO REGISTER THE FOLLOWING TRADE
MARK**

SKYCLAD

IN CLASSES 14, 25, 35 AND 40

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 406994
BY SKY PLC AND SKY INTERNATIONAL AG**

Background and pleadings

1) Ecotricity Group Limited (“the applicant”) applied to register the trade mark SKYCLAD in the UK on 2 February 2016. It was accepted and published in the Trade Marks Journal on 15 April 2016 in respect of goods and services in classes 14, 25, 35 and 40.

2) Sky plc and Sky International AG (“the opponents”) opposed the trade mark on the basis of section 5(2)(b), section 5(3) and section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). During the proceedings, the applicant deleted the Class 25 goods from its application and, at the hearing, the opponents’ dropped their case against the applicant’s Class 14 goods. Consequently, the opposition is partial and directed against the following services of the application:

Class 35: *Retail of jewellery, precious stones including synthetic precious stones, horological and chronometric instruments from a retail establishment or from a general merchandise catalogue by mail order, or by means of telecommunications or from a general merchandise Internet website; provision of commercial information in relation to the selection of the above goods; provision of professional consultancy and advice in relation to retailing of jewellery and imitation jewellery and horological and chronometric instruments; compilation, analysis, retrieval and provision of information in relation to the retail of and supply and demand of artificial gemstones.*

Class 40: *Generation of electricity.*

3) The opposition is based upon the following earlier marks:

EU 6870992 SKY
2500604 SKY
EU 9017931 TEAM SKY
2544267 SKY PRO CYCLING
EU 9049966 SKY RIDE

4) At the hearing the opponents, whilst relying upon their pleading that they have a family of marks, sensibly restricted their submissions to those based upon the earlier mark 2500604 SKY and in respect of its following services:

Class 35: ... *compilation of business statistics and commercial information; ... ; the bringing together, for the benefit of others of a variety of goods namely ..., jewellery, clocks, watches, ... clothing and accessories, hair accessories ... enabling customers to conveniently view and purchase those goods including via an Internet website, an interactive television shopping channel, a digital television shopping channel, an Internet walled garden or by means of interactive television and/or telecommunications (including voice, telephony and/or transfer of digital information or data) and/or interactive digital media;... ... the bringing together for the benefit of others, via an Internet website, an interactive television shopping channel, a digital television shopping channel, an Internet walled garden or by means of interactive television and/or telecommunications (including voice, telephony and/or transfer of digital information or data) and/or interactive digital media, of a variety of retailers and advertising services, ... business consultancy services,... commercial information services provided by access to a computer database, commercial management advisory services,... compilation of statistics, collection of commercial information, compilation of commercial information, provision of commercial information,...*

Class 40: *Generating electricity*

5) The opponents submit that the respective services are identical or highly similar and that the marks are similar. They state that SKY is a memorable and important aspect of the mark applied for and that it plays an independent distinctive role.

6) The opponents also claim that the application offends under section 5(3) and section 5(4)(a) of the Act on the basis that its reputation and goodwill respectively in its SKY marks is such that use of the applicant's mark will lead to unfair advantage, detriment to repute, distinctive character and misrepresentation and damage respectively.

7) The applicant filed a counterstatement denying the claims made. It accepts that the opponents have a reputation in relation to its SKY mark in relation to satellite broadcasting services, but denies that it has goodwill or reputation in relation to any of the other goods and services claimed.

8) Both sides filed evidence in these proceedings and the opponents also filed written submissions. The evidence will be summarised to the extent that it is considered necessary and I keep in mind the written submissions. A Hearing took place on 16 November 2017, with the opponents represented by Mr Joel Barry of CMS Cameron McKenna Nabarro Olswang LLP and the applicant by Ms Charlotte Blythe of Counsel, instructed by Lewis Silkin LLP.

Opponents' Evidence and evidence-in-reply

9) This takes the form of two witness statements by Joel Anthony Barry, partner at Olswang and the opponents' representative in these proceedings and two by Emma Campbell, a solicitor employed by the Sky group of companies and whose current job title is Head Counsel of IP and Operations.

10) The applicant has variously conceded that the opponents have a reputation in respect of "satellite broadcasting services" (counterstatement), "satellite and broadcasting services, telephone services and broadband services" (Mr Jennings' witness statement, para 17 and "broadcast and media services" (Ms Blythe's skeleton argument). As will become apparent, the outcome of these proceedings is not dependent upon adopting any one of these concessions over the other two. As a result of the concession, I do not intend to provide a summary of the opponents' evidence insofar as it relates to the types of services to which the concession relates.

11) Although not relied upon in its pleading, at the hearing, Mr Barry made a case that the opponents had a reputation in respect of its presence in the energy supply industry and its green credentials. I discuss this later, but it is sufficient for the purposes of my decision that I record the following:

- In 2010, the opponents undertook a pilot project supplying and installing solar panels (Campbell 2, 2.1);
- In 2010, the opponents trialled a domestic, user installed electricity monitor (Campbell 2, 2.3);
- The opponents are actively considering customer suggestions that it introduce solar powered satellite dishes and set-top boxes.

12) At Exhibit JAB-2, Mr Barry provides, from www.collinsdictionary.com, several definitions for the word CLAD, including “to clothe”.

Applicant’s Evidence

13) This takes the form of two witness statements, the first by Tom Cowling, General Counsel employed by the applicant and the second by Steven Jennings, Trade Mark counsel with conduct of the proceedings on behalf of the applicant.

14) I summarise the relevant points as:

- The applicant was founded in 1996 and was the world’s first green energy company. It was named leading mid-sized business in a *Sunday Times* ranking in October 2016;
- As already noted, there is a concession in that the applicant does not challenge the opponents’ reputation in relation to:
 - a. Satellite and broadcast services;
 - b. Telephone services;
 - c. Broadband services.
- SKYCLAD has a meaning of “Naked (used especially in the context of modern pagan ritual)” (Exhibit SJJ2, extract from the Oxford Dictionary Online);
- Mr Jennings points out that the meaning attributed to CLAD by Mr Barry is actually an archaic or literary past participle of clothe. He further points out that it also means to “encase (a structure) with a covering or coating”;
- Mr Cowling, despite being experienced in the energy sector, has never come across the opponents in this sector or known them to operate any form of

energy company or activity. This appears to be confirmed by Internet searches conducted by Mr Cowling. Similarly, an Internet search for the opponents' presence in the jewellery sector failed to find anything.

15) Mr Cowling's evidence also contains numerous submissions that I will not detail here, but will keep in mind when making my decision.

DECISION

Section 5(2)(b)

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

“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”.

Comparison of services

17) In the judgment of the Court of Justice of the European Union (“the CJEU”) in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, 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”.

18) 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.

19) I also keep in mind the following guidance of the General Court (“the GC”) in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05:

“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”.

20) For procedural efficiency, at the hearing, Mr Barry identified the opponents’ best case as the opponents’ earlier mark 2500604 SKY. Mr Barry’s submissions included the following comparison of services:

Applicant's services	Opponents' services
Class 35	
<p><i>Retail of jewellery, precious stones including synthetic precious stones, horological and chronometric instruments from a retail establishment or from a general merchandise catalogue by mail order, or by means of telecommunications or from a general merchandise Internet website</i></p> <p><i>provision of commercial information in relation to the selection of the above goods</i></p> <p><i>provision of professional consultancy and advice in relation to retailing of jewellery and imitation jewellery and horological and chronometric instruments</i></p>	<p><i>The bringing together, for the benefit of others of a variety of goods namely... jewellery, clocks, watches, clothing and accessories enabling customers to conveniently view and purchase those goods including via an Internet website, an interactive television shopping channel, a digital television shopping channel, an Internet walled garden or by means of interactive television and/or telecommunications (including voice, telephony and/or transfer of digital information or data) and/or interactive digital media</i></p> <p><i>compilation of business statistics and commercial information ... provision of commercial information</i></p> <p><i>the bringing together, for the benefit of others of a variety of goods namely ... jewellery, clocks, watches... clothing and accessories, hair accessories... enabling customers to conveniently view and purchase those goods including via an Internet website, an interactive television shopping channel, a digital television shopping channel, an Internet walled garden or by means of interactive television and/or telecommunications (including voice, telephony and/or transfer of digital information or data) and/or interactive digital media... the bringing together for the benefit of others, via an Internet website, an interactive television shopping channel, a digital television shopping channel, an Internet walled garden or by means of interactive television and/or telecommunications (including voice, telephony and/or transfer of digital information or data) and/or interactive digital media, of a variety of retailers and advertising services...business consultancy services.</i></p>

<i>compilation, analysis, retrieval and provision of information in relation to the retail of and supply and demand of artificial gemstones</i>	<i>compilation of business statistics and commercial information... the bringing together for the benefit of others, via an Internet website... compilation of statistics, collection of commercial information, compilation of commercial information</i>
Class 40	
<i>Generation of electricity</i>	<i>Generating electricity</i>

21) At the hearing, Mr Barry contended that the listed services are largely identical and Ms Blythe conceded that she was “largely in agreement” but took issue in respect of the following two comparisons:

Retail of ... precious stones v. The bringing together, for the benefit of others of a variety of goods namely... jewellery

22) Mr Barry submitted that these services are identical because it is common practice in the retailing of jewellery for the retailer to offer the customer a choice of precious stones and then to make the item of jewellery. He submitted that they are all part of the same service. Ms Blythe submitted that it is an un-natural strain to say these goods are identical contending that the retail of precious stones is a business to business service. I do not agree with Mr Barry. Whilst the respective services may be provided by the same trader, and possibly even as provided together as a package, they are not identical. However, neither do I agree with Ms Blythe. “Retail” means “the sale of goods to the public in relatively small quantities for use or consumption rather than for resale”¹. It is my view that this is the interpretation that will be given to the word “retail” in the description “retail of precious stones”. Consequently, the term does not describe a business to business service, but rather a retail service provided to the public. Having disagreed with the submissions of both sides, I find that the correct interpretation lies somewhere between the two views. The trade channels for the retail of jewellery and precious stones is likely to be the same, The purpose of purchasing a precious stone is likely to be so that the stone

¹ <https://premium.oxforddictionaries.com/definition/english/retail>

can be used to make an item of jewellery, consequently, the respective services are complementary. Both of these services involve the perusal and selection of a product with a view to purchase and therefore, they share some similarity in their nature and intended purpose. Taking all of this into account, I conclude that they share a medium high level of similarity.

Compilation, analysis, retrieval and provision of information in relation to the retail of and supply and demand of artificial gemstones v the retail of the same

23) Whilst I agree with Ms Blythe that the applicant's services are dissimilar to the opponents' retail services, it was clear from Mr Barry's submissions at the hearing that the opponents' also relied upon, what they believed was their best case, namely *compilation of business statistics and commercial information... the bringing together for the benefit of others, via an Internet website... compilation of statistics, collection of commercial information, compilation of commercial information*. It is already conceded by the applicant that "compilation" services are present in both parties' specifications and are identical, therefore, it is not necessary that I comment further on this aspect.

24) In respect of the applicant's "analysis, retrieval and provision" services, the opponents' services are not identical. However, "retrieval" of information is an important aspect of "compilation" of information. Similarly, once the information has been compiled, it is a natural extension of this service to then provide that information. There would be an expectation that these respective services would be supplied by the same undertaking, therefore there is overlap of trade channels and the very least these services are complementary because retrieval of information is required before it can be compiled and is, therefore, essential to the latter service. Similarly, the compilation of information would be much less likely to have customers if the service was not combined with the provision of that information. I find that these services share a medium high level of similarity.

25) In respect of the applicant's "analysis" services these are less similar to the opponents' "compilation" services than retrieval and provision services because "analysis" is a service that may be provided independently of the compiling of the

information and it would not necessarily be provided by the same source. Therefore, whilst trade channels may overlap, it is less likely that in respect of my previous analysis. “Compilation” is the act of collecting information and presenting it in a pre-arranged order but does not involve any “analysis” of that information after it has been compiled, therefore, the respective goods have different purpose and nature. That said, they remain reasonably closely aligned services and, consequently, they still share a medium level of similarity.

26) In summary, the applicant’s services are identical to those of the opponents, except in respect of:

- *Retail of ... precious stones and retrieval and provision of information in relation to the retail of and supply and demand of artificial gemstones* that both share a medium high level similarity to the opponents’ services, and;
- *analysis ... of information in relation to the retail of and supply and demand of artificial gemstones* that shares a medium level of similarity with the opponents’ services.

Comparison of marks

27) It is clear from *Sabel BV v Puma AG*, Case C-251/95 (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.”

28) 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.

29) The respective marks are shown below:

Earlier mark	Contested mark
SKY	SKYCLAD

30) The earlier mark consists of the single word SKY, being self-evidently the dominant and distinctive part of the mark. The applicant’s mark consists of the two words SKY and CLAD conjoined. Being conjoined, the average consumer is likely to perceive the mark as an invented word with no obvious meaning. They share a similar level of dominance within the mark.

31) Visually, the respective marks share the element SKY, being the only component of the opponents’ mark and the first component of the applicant’s mark. They differ in that the applicant’s mark contains the additional element CLAD. This results in a medium level of visual similarity. Aurally, the considerations are similar with the opponents’ mark consisting of the single syllable SC-EYE and the applicant’s mark consisting of the two syllables SC-EYE CLAD. They also share a medium level of aural similarity.

32) Conceptually, there is a submissions/evidence from the applicant that the term “sky clad” will be understood to mean either:

- “naked” to persons who are pagans, or;
- “clad/clothed in sky”.

33) In respect of the first of these, there is nothing before me to suggest that this meaning is more widely known beyond the pagan community, or that it is likely to be known by the average consumer. Therefore, keeping in mind the guidance of Anna Carboni, sitting as the Appointed Person in *Chorkee*, BL O-048-08, I dismiss the idea that the term would be understood by the average consumer. Rather, and as Mr Barry submitted, it is likely to be perceived as the two ordinary words SKY and CLAD conjoined (and as I noted at paragraph 30, above, the conjoining creates an invented word with no obvious meaning).

34) In respect of the second, such a concept is somewhat abstract and whilst it may be arrived at giving the mark some consideration, I am not convinced that the average consumer will alight upon such a meaning. Rather, it is likely to perceive the mark as an invented word with no concrete concept. In contrast, the opponents' mark has a clear precise meaning being the word for the space directly above the earth.

35) I note Mr Jennings, in his witness statement, also identified other meaning of the word SKY such as a description of a shade of blue, but it is my view that these meanings are unlikely to be perceived by the average consumer upon encountering either parties' mark. Taking all of this into account, I conclude that there is, at best, only a very low level of conceptual similarity because, despite the element "Sky" being present in both marks, it forms part of an invented word in the applicant's mark.

Average consumer and the purchasing act

36) 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*.

37) 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.”

38) The respective services vary from the retail of clocks and watches to the generation of electricity. The latter services may be targeted at household consumers or businesses, but in both cases there is normally a degree of analysis to ascertain the most suitable tariff. The level of care and attention is therefore elevated to a degree, but is not the highest level of care and attention. Selection is often made through the Internet or some form of promotion where the mark is visible and consequently the purchasing process is predominantly visual. In respect of the retail services, the goods being purchased are sometimes expensive and usually bought with aesthetics being considered. This leads to a slightly elevated level of care and attention and a purchasing process that is primarily visual in nature. The level of care and attention paid during the purchasing process of the other services listed in both parties' specifications is likely to be similar to these two examples. I keep in mind that, whilst I have found that the purchasing process is predominantly visual in nature, there may be occasions where aural considerations play a part, for example, where the services are promoted aurally (on the radio perhaps) or where the purchaser is acting upon an aural recommendation.

Distinctive character of the earlier trade mark

39) 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).”

40) 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. This is the case here where the single element of the opponents’ mark is reproduced at the start of the applicant’s mark.

41) The word SKY is an ordinary dictionary word that has no obvious meaning in respect of the services relied upon. The applicant does suggest that the word may be perceived as having some allusion to, for example, energy generated by wind or the sun. If this allusion exists, it is only very faint. I find that it is endowed with a reasonable, but not high, level of inherent distinctive character.

42) In terms of enhanced distinctive character through use, there is no dispute between the parties that the opponents enjoy a significant reputation in respect of satellite broadcasting, Internet and telephone services but it is the position of the applicant that its reputation does not extend to any of the services relied upon in these proceedings and, therefore, the opponents' mark does not benefit from any enhanced level of distinctive character. On the other hand, Mr Barry, for the opponents submitted that:

- (i) Its reputation does extend to the relied upon Class 40 services, and;
- (ii) Notwithstanding its claim in (i), it also claims that its reputation in respect of satellite broadcasting services will rub off onto the fields of retail services and generation of electricity.

43) In respect of the first of these two submissions, the opponents' pleaded case does not rely upon its Class 40 services. To attempt to rely upon such services deprives the applicant of an opportunity to address the claim in evidence and I dismiss the opponents' reliance on this at this late stage. However, even if such a claim were to be allowed, I would not have found that the opponents' reputation extends to these services for the following reasons:

- The opponents' environmentally friendly company policies when it comes to using energy. These are internal company activities and not use of its mark in the course of trade. Such activities are not provided to external customers;
- The opponents' activities relating to supplying and installing solar panels and trialling domestic, user-installed electricity monitors. There are a number of criticisms of this, not least that the levels of use in respect of these services are very small, limited to a pilot project and a trial in 2010. This falls far short of demonstrating that the opponents' mark had an enhanced level of distinctive character in respect of these services at the relevant date of these proceedings (2 February 2016).

44) In respect of the second submission, for the purposes of section 5(2), the question of enhanced distinctive character is one of the relevant factors I must take

into account. Under section 5(2) a reputation in respect of dissimilar services not being relied upon is not relevant because protection extending to dissimilar goods or services is not a feature of grounds based upon section 5(2). In fact, there is guidance that similar or identical goods or services must be involved for this section to apply (see *Waterford Wedgwood plc v OHIM* – C-398/07 P and *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, para. 49). Taking all of this into account, it would be fundamentally wrong for the opponents to be able to rely upon a reputation in respect of dissimilar goods or services when there is a requirement under this section for there to be at least some similarity.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

45) The following principles are gleaned from the decisions of the CJEU 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 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.

46) I have found that

- The respective services share at least a medium level of similarity;

- The respective marks share a medium level of visual and aural similarity and, at best, only a very low level of conceptual similarity;
- The word SKY and CLAD are conjoined to result in a distinctive whole with neither one element dominating and with no clear conceptual meaning;
- The average consumer may be household consumers or businesses and the level of care and attention is elevated to a degree, but is not the highest;
- The opponents' mark is endowed with a reasonable, but not high, level of inherent distinctive character but it does not benefit from any enhanced level of distinctive character.

47) At the hearing, Mr Barry relied upon a number of earlier decisions that he believed provided precedents for me to follow in finding that there is a likelihood of confusion between the respective marks. Whilst I have taken note of these, the precise facts are different to those in the current case. I am required to reach my own independent findings in this case based upon the facts before me. This I do below.

48) The main difference between the parties is that the applicant submits that the word SKY in its mark does not retain an independent distinctive character whereas, the opponents claim that it does. There appeared to be no dispute regarding the guiding principles. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* ... confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a

distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

49) Further, I also keep in mind the guidance of the GC in *Anncosmash, Inc. v OHIM*, Case T-385/09 where it found that there was no likelihood of confusion between ANN TAYLOR LOFT and LOFT (both for clothing and leather goods) and found that:

“48. In the present case, in the light of the global impression created by the signs at issue, their similarity was considered to be weak. Notwithstanding the identity of the goods at issue, the Court finds that, having regard to the existence of a weak similarity between the signs at issue, the target public, accustomed to the same clothing company using sub-brands that derive from the principal mark, will not be able to establish a connection between the signs ANN TAYLOR LOFT and LOFT, since the earlier mark does not include the ‘ann taylor’ element, which is, as noted in paragraph 37 above (see also paragraph 43 above), the most distinctive element in the mark applied for.

49 Moreover, even if it were accepted that the 'loft' element retained an independent, distinctive role in the mark applied for, the existence of a likelihood of confusion between the signs at issue could not for that reason be automatically deduced from that independent, distinctive role in that mark.

50 Indeed, the likelihood of confusion cannot be determined in the abstract, but must be assessed in the context of an overall analysis that takes into consideration, in particular, all of the relevant factors of the particular case (*SABEL*, paragraph 18 above, paragraph 22; see, also, Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37), such as the nature of the goods and services at issue, marketing methods, whether the public's level of attention is higher or lower and the habits of that public in the sector concerned. The examination of the factors relevant to this case, set out in paragraphs 45 to 48 above, do not reveal, *prima facie*, the existence of a likelihood of confusion between the signs at issue."

50) There is some suggestion by the applicant that its mark does form a neologism and that druids will understand it to mean "naked". I have already concluded that the average consumer will not perceive this meaning. However, I find that Ms Blythe submission that the word SKY does not retain an independent distinctive character in the mark SKYCLAD has more force. As I found earlier, the consumer is likely to perceive SKYCLAD as an invented word with no obvious meaning. The fact that the average consumer may also perceive that this invented word comprises of two separate elements corresponding to known words does not, in itself, automatically lead to a likelihood of confusion. In summary, I am with Ms Blythe in that the word SKY does not retain an independent distinctive character in the applicant's mark.

51) I am not persuaded by Mr Barry's submission that the applicant's mark will be perceived as two terms placed together, each of which maintain their own distinctive meaning. I have recognised that the consumer is likely to identify that the applicant's mark includes two separate elements but that they combine to make a fanciful whole and do not retain their own distinctive meaning. They form a unit with no discernable conceptual identity unlike the opponents' mark that has an immediate and obvious conceptual identity.

52) Drawing all of this together, whilst there are aspects of the global appreciation test that would lean towards a finding of likelihood of confusion, these are outweighed by the differences in the marks and in particular the fact that there is no conceptual similarity between the marks. I find that there is no likelihood of confusion.

53) The opponents also rely on a claim that they have a family of marks and that the applicant's mark will be perceived as one additional mark in the opponents' family leading to a likelihood of confusion. In *Il Ponte Finanziaria SpA v OHIM*, Case C-234/06, the CJEU stated that:

“62. While it is true that, in the case of opposition to an application for registration of a Community trade mark based on the existence of only one earlier trade mark that is not yet subject to an obligation of use, the assessment of the likelihood of confusion is to be carried by comparing the two marks as they were registered, the same does not apply where the opposition is based on the existence of several trade marks possessing common characteristics which make it possible for them to be regarded as part of a ‘family’ or ‘series’ of marks.

63 The risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see *Alcon v OHIM*, paragraph 55, and, to that effect, *Canon*, paragraph 29). Where there is a ‘family’ or ‘series’ of trade marks, the likelihood of confusion results more specifically from the possibility that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for or considers erroneously that that trade mark is part of that family or series of marks.

64 As the Advocate General stated at paragraph 101 of her Opinion, no consumer can be expected, in the absence of use of a sufficient number of trade marks capable of constituting a family or a series, to detect a common

element in such a family or series and/or to associate with that family or series another trade mark containing the same common element. Accordingly, in order for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a 'family' or 'series', the earlier trade marks which are part of that 'family' or 'series' must be present on the market.

65 Thus, contrary to what the appellant maintains, the Court of First Instance did not require proof of use as such of the earlier trade marks but only of use of a sufficient number of them as to be capable of constituting a family or series of trade marks and therefore of demonstrating that such a family or series exists for the purposes of the assessment of the likelihood of confusion.

66 It follows that, having found that there was no such use, the Court of First Instance was properly able to conclude that the Board of Appeal was entitled to disregard the arguments by which the appellant claimed the protection that could be due to 'marks in a series'."

54) There is no dispute between the parties that the opponents have numerous SKY marks and that these are used in the area of satellite broadcasting services and professional cycling, there are two factors from my findings above that result in this claim not assisting the opponents. Firstly, the family of marks relied upon has not been used in respect of the services relied upon for the purposes of the grounds based upon section 5(2) and the opposed services would not be perceived as a natural extension of the opponents' business. Secondly, the differences between the marks that I identified earlier are such that the consumer is unlikely to even make a link to the family of SKY marks, let alone result in a likelihood of confusion. For these reasons, I conclude that the opponents' claim that there is a likelihood of confusion between the applicant's mark and the opponents' family of marks is rejected.

55) In summary, the opponents' case based upon section 5(2) of the Act fails in its entirety.

Section 5(4)(a)

56) Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

57) At the hearing, Mr Barry submitted that the opponents’ case under section 5(4)(a) is stronger than its case under section 5(2) because, as he described it, the business of the opponents can be taken into account. It is true that for the purposes of assessing a case of passing off, it is not a requirement that the parties are involved in the same field of activity (see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)), however as Millet L.J. went on to observe, the absence of a common field of activity, although not fatal, it is not irrelevant either. In the current case, the parties are in agreement that the opponents has a substantial reputation and goodwill in the field of satellite broadcasting, telephone services and broadband services. The opponents’ pleaded case did not rely on any retail services in respect of the goods covered by the applicant’s retail services, nor in respect of the generation of electricity. I find that these services are so far removed from those of the applicant that reliance upon the goodwill associated with them does not improve the opponents’ prospect of success over and above the case based upon section 5(2)(b).

58) I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires “a substantial number of

members of the public are deceived” rather than whether the “average consumer is confused”. However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. I believe that this is the case here even accepting that the opponents has a large goodwill identified by its signs I, nonetheless, find that members of the public are unlikely to be misled into purchasing the applicant’s services in the belief that they are the services of the opponents for the same reasons that I set out when considering the likelihood of confusion. For the reasons set out earlier, I consider that the differences between the respective marks are such that no economic connection will not be made.

59) In conclusion, I find that grounds, insofar as they are based upon section 5(4)(a), also fail.

Section 5(3)

60) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

- a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.
- (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any

financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation.

61) It is not disputed between the parties that the opponents have made significant use of its mark in the UK in the field of satellite broadcasting services, telephone services and broadband services. As I noted earlier, it has no reputation in respect of retail services in the same area of activity as the applicant or in respect of the generation of electricity.

Link

62) In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the Court of Justice of the European Union stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to

establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

63) Therefore, the level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion. I also keep in mind that it is not necessary for the opponents’ reputation to be in respect of the same services covered by the contested application. However, in light of the lack of any conceptual similarity between the marks and the distance between the services of the applicant and the services for which the opponents have a reputation, I find that the applicant’s mark is not likely to bring the opponents’ mark to mind. Even if I am wrong, any bringing to mind would only be fleeting and insufficient to lead to any detriment or unfair advantage.

64) The requisite link has not been established and the opposition based upon section 5(3) fails.

Summary

65) The opposition fails in its entirety and the application may proceed to registration.

Costs

66) Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2 of 2016. I take account that both sides filed evidence and the opponents also filed written submissions and a hearing was held. At the hearing, Mr Barry submitted that the opponents had incurred unnecessary time and cost as a result of two case management conferences (CMCs) and on the basis that the applicant’s evidence is largely irrelevant. I discuss each in turn below:

- In respect of the first CMC, this was held to discuss what Mr Barry characterised as an inadequate extension of time request filed by the applicant. The reasons provided in writing were inadequate and not in line with the guidance contained in Tribunal Notice 2/2011. Whilst I allowed a

reduced period of time upon hearing further reasoning at the CMC, it may have been avoided if suitable reasons had been provided when the request was made. I consider it reasonable to discount the amount that the opponents must pay the applicant by £200;

- The second CMC was to discuss what Mr Barry characterised as a “baseless request” for a suspension of proceedings. Whilst I considered the reasons provided by the applicant as being unpersuasive, they were not baseless (in fact, the “bad faith” point was based on a finding by the EUIPO’s Board of Appeal in *PATHFINDER*, R 1785-2008-4). However, I concur that because the applicant was ultimately unsuccessful, the opponents are entitled towards a contribution to its costs of attending the CMC. With this in mind, I discount the amount that the opponents must pay to the applicant by a further £200;
- Mr Barry claims that the applicant’s evidence is both voluminous and irrelevant. I disagree on both counts. The volume was within the permitted limits set out in Tribunal Practice Notice 1/2015 and I note that Mr Cowling’s evidence was particularly brief. Two of Mr Jennings’ exhibits (Exhibits SJJ4 and SJJ5) are lengthy, but their nature is such that they required little analysis to identify the strength of the point they were intended to support. I also disagree that the evidence was irrelevant with it going to such issues as the meaning of the marks and the use of the word SKY by third parties. I therefore decline to make any additional costs award in respect of this evidence.

67) With all of this in mind, I award costs as follows:

Considering other side’s statement and preparing counterstatement	£300
Preparing evidence and considering other side’s evidence	£1000
Preparing for & attending hearing	£900
Discount in respect of first CMC	(£200)
Discount in respect of second CMC	(£200)
Total:	£1800

68) I order Sky plc and Sky International AG to pay Ecotricity Group Limited the sum of £1800 which, in the absence of an appeal, should be paid within 14 days of the expiry of the appeal period.

Dated this 12th day of January 2018

**Mark Bryant
For the Registrar,**