

O-684-18

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 3214587 IN THE NAME OF FUJITSU LIMITED

AND IN THE MATTER OF OPPOSITION No. 409439 THERETO BY AEGIS TRADEMARKS BV

AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON BY THE APPLICANT AGAINST A DECISION OF MS AL SKILTON DATED 31 MAY 2018

DECISION

Background

1. On 23 February 2017, Fujitsu Limited (“the Applicant”) applied to register the designation M12 for use as a trade mark in the United Kingdom in relation to *inter alia* the following services in Class 42¹:

Computer programming services; Computer rental services; Installation and maintenance computer software programs; Design, development, preparation and update of computer software programs; Computer system consulting and advisory services; Provision of temporary non-downloadable software; Software as a service (SaaS) services; Operating cloud computing system in Class 42.

2. The Application was published in the Trade Marks Journal on 3 March 2017.
3. On 5 June 2017, Aegis Trademarks BV (“the Opponent”) filed Notice of opposition and statement of grounds against the Application under Section 5(2)(b) of the Trade Marks Act 1994, which provides:

“(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.”

¹ The Application also covered goods in Class 9 that were not opposed.

O-684-18

4. The opposition was based on 2 x earlier UK trade marks and 2 x earlier EU trade marks in the ownership of the Opponent for the designations M1 and M1 figurative covering (broadly) computer program and computer software services in Class 42.
5. The Opponent put forward as its best case UK Trade Mark number 3202633 for the designation M1 protected for these services in Class 42:

Computer network services; computer programming services; computer network management services for others; computer systems analysis, design, and integration; computer software application development and hosting; computer consulting regarding website development; design of graphic user interface and site architecture technology integration to enable e-commerce and integration with client databases; database development; computer system design and development, technical automation services regarding applications for wide area network or local area network computer systems; technical services with regard to computer programs; computer systems management (with the exception of installation, repair and maintenance); support in the use of computer networks; technical consulting in the field of computers; computer system development with regard to opinion polls and marketing studies; design of data processing programs; design, development and research in using computer databases, manuals and in systematizing information in files; graphic design services; web site design; creation, editing and updating of website content; research and design of new products and packaging; providing a web-based portal to allow others to view, sort and analyse business and marketing data related to customers and potential customers; information, advisory and consultancy services relating to the aforesaid services.

6. UKTM 3202633 was applied for on 16 December 2016 and registered on 10 March 2017².
7. The Applicant took issue with the ground of opposition in a Notice of defence and counterstatement dated 14 August 2017.
8. Only the Opponent filed evidence, in response to which the Opponent filed written submissions.
9. The opposition came to be heard before Ms Al Skilton, acting for the Registrar, on 24 April 2018. At the first instance hearing, the Opponent was represented by Mr Joel Barry of CMS Cameron McKenna Nabarro Olswang LLP. The Applicant was represented by Mr Christopher Smith of Wilson Gunn.

The Hearing Officer's decision

10. Ms Skilton issued her written decision under number BL O/333/18 on 31 May 2018, in which she allowed the opposition under Section 5(2)(b).

² None of the Opponent's earlier trade marks in the opposition were subject to proof of use.

O-684-18

11. Her reasons were as follows, in brief:

- 1) The Hearing Officer would apply the Registrar’s summary of principles relevant to Section 5(2)(b) gleaned from the prevailing case law of the Court of Justice of the European Union (para. 11). There was no challenge to this on appeal.
- 2) The respective services were identical save for the Applicant’s: *Provision of temporary non-downloadable software* and *Computer rental services*, which were similar to the Opponent’s specified services. This was agreed before the Hearing Officer by the Applicant (para. 16).
- 3) The average consumer would for the most part comprise businesses and professionals but could include members of the general public. The level of attention paid by the average consumer to the purchase act would be average to high depending on which services were to be provided. The selection of those services was likely to be visual although there could be an aural element, for example, through recommendation (paras. 17 – 29). These findings were not contested on appeal.

4) The trade marks to be compared were:

| Earlier trade mark | Trade mark applied for |
|---------------------------|-------------------------------|
| M1 | M12 |

- 5) The overall impressions of the respective trade marks rested in the trade marks as wholes (paras. 31 – 33).
- 6) Visually, the whole of the Opponent’s trade mark was contained within the Applicant’s trade mark, the only difference being the addition of the numeral 2 in the trade mark applied for. The trade marks were visually similar to a fairly high degree (paras. 34 – 36).
- 7) Although the Applicant’s mark could be pronounced in 2 ways (“M-1-2” or “M-12”), “M-12” was the more likely pronunciation. On that basis the level of aural similarity was medium. On the other hand, were the Applicant’s trade mark to be pronounced “M-1-2”, the level of phonetic similarity would be medium to high (paras. 38 – 41).
- 8) Conceptually, if as argued by the Applicant, the average consumer brought to mind a motorway when seeing the letter “M” followed by a number, this would apply in the case of both trade marks. However, in connection with the services at issue (where, in the Hearing Officer’s experience, combinations of letters and numbers were not uncommon) the average consumer was likely just to regard the trade marks as comprising the letter “M” and a number or numbers. On that basis, the trade marks were conceptually neutral (paras. 44 – 46).

O-684-18

- 9) The earlier trade mark M1 represented a combination of a letter and a number with no obvious meaning to the average consumer in relation to the Opponent's services. As such it was possessed of a medium degree of inherent distinctive character for those services (enhanced distinctiveness through use was not claimed by the Opponent) (paras. 47 – 50).
- 10) Assessed globally taking into account all the relevant circumstances of the case including the principles of interdependency and imperfect recollection, there were likelihoods of both direct and indirect confusion. For some consumers imperfectly recollecting the trade marks, there was a risk that one trade mark might be mistaken for the other trade mark. More attentive consumers noticing that the trade marks differed in number(s) could wrongly believe that the respective services were offerings in the same line (paras. 51 – 56).
- 11) The opposition succeeded in its entirety (para. 57).
- 12) The Applicant was ordered to pay scale costs to the Opponent in the sum of £1,400 (para. 58).

The appeal

12. On 28 June 2018, the Applicant filed Notice of appeal to the Appointed Person under Section 76 of the Act against the Hearing Officer's decision.
13. On 24 July 2018, the Opponent filed a Respondent's notice pursuant to Rule 71(4) of the Trade Marks Rules 2008. This reinforced the Hearing Officer's reasoning and argued that the principle of interdependence further or alternatively supported her findings of likelihood of confusion.
14. At the appeal hearing, Mr Terry Rundle of Wilson Gunn appeared on behalf of the Applicant. Mr Joel Barry of CMS Cameron McKenna Nabarro Olswang LLP continued to represent the Opponent.

Standard of review

15. Both parties accepted that the appeal was by way of review not rehearing and that I should be reluctant to interfere in the absence of material error on the part of the Hearing Officer (*REEF Trade Mark* [2002] EWCA Civ 763, Robert Walker LJ at para. 28).
16. Mr Barry referred me to statements of principle by Mr Daniel Alexander QC sitting as a deputy High Court judge in *Abanka DD v. Abanca Corporación Bancaria SA* [2017] EWHC 2428 (Ch) at paragraphs 16 – 26, and Lewison LJ in *Okotocks Limited v. Fine and Country Limited* [2013] EWCA Civ 672 at paragraph 50.
17. Mr Rundle particularly emphasised situations listed by Mr Alexander sitting as the Appointed Person in *TALK FOR LEARNING Trade Mark*, BL O/017/17 where the Registrar's decision will be treated as wrong (para. 52):

O-684-18

“(v) Situations where the Registrar’s decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be “clearly” or “plainly” wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).”

18. In riposte Mr Barry highlighted the discussion by Mr Alexander in *Abanka* of the meaning of “wrong”, “clearly wrong” and “plainly wrong” in this context where he concluded (para. 24):

“Regardless of the language used, the real question, as all the cases say, is whether the decision in question was wrong in principle or was outside the range of views which could reasonably be taken on the facts (to adopt the formulation in *Rochester* at [34]). It is important not to let discussion over qualifiers of this kind distract from the central idea of appellate restraint, expressed throughout the case law: a tribunal should not conclude that a decision is wrong, simply because it would not have decided the matter that way. That is a necessary, but not sufficient, condition for appellate reversal. The English (and in the light of *Vaporized*, Scottish) approach provides for appellate discipline in situations where there is no reason to consider that an appellate tribunal is better placed to make the evaluation than the Registrar from whom the appeal is brought. Against that background, the use of the term “plainly wrong” or “clearly wrong” can serve as a reminder of the height of the bar, without acting as a straightjacket for appellate tribunals.”

19. I have borne all of the above in mind.

Grounds of appeal

20. These revolved largely around the Hearing Officer’s comparison of the respective trade marks.

21. The Applicant contended that the Hearing Officer erred in finding that:

- 1) the trade marks were visually similar to a fairly high degree. The Applicant averred that this finding was predicated on the Hearing Officer’s statement at paragraph 36 of the decision that:

“Visual similarity rests in the fact that the entirety of the opponent’s mark makes up the first two characters of the application. The only difference is the addition of the number 2 in the application.”

This it was claimed was not an analysis that would be made by the average consumer who would view the respective trade marks overall.

O-684-18

Mr Barry, however, pointed out that at paragraph 36 of the decision the Hearing Officer was merely accepting the case put to her by the Applicant in its skeleton argument. Thus at paragraph 35, the Hearing Officer had noted:

“The applicant submits that the earlier mark consists of:

“8...just two characters, namely the alphabetic letter ‘M’ and numeral ‘1’, whereas the Contested Mark consists of three characters, namely the alphabetic letter ‘M’ and the numerals ‘1’ and ‘2’. Due to the absence of any grammatical devices or stylisation therefore, the addition of the numeral ‘2’ in the Contested Mark, significantly alters the visual impression of the Contested Mark in comparison with the Opponent’s [earlier mark] which do[es] not contain this element ...” ;

- 2) the trade marks were phonetically similar to a medium degree if, as would invariably be the case, the Applicant’s trade mark were pronounced “M-12”.
- 3) the trade marks were phonetically similar to a medium degree [sic] if the Applicant’s trade mark were pronounced “M-1-2”. In fact, as I recorded earlier, the Hearing Officer held that in such a case the phonetic similarity between the trade marks would be between medium and high;
- 4) the trade marks were conceptually neutral when instead the average consumer would invariably associate the Opponent’s trade mark with the well known M1 Motorway.

Mr Rundle said that his client no longer pursued this ground of appeal and accepted the Hearing Officer’s finding that the trade marks were conceptually neutral in the context of the respective services.

22. The Applicant further contended that the Hearing Officer was wrong in agreeing with the Opponent that: “it is fairly common within the IT and technology fields for different iterations of products and services to be provided under sequential alpha/numeric systems ...”. That statement might be true for computer products/software but not services. In any event under a sequential alpha/numeric system M1 might be followed by M1.1 or M1 v1, and then M1.2 or M1 v 2 not M12.
23. Mr Barry countered as to the former that software products provided over the Internet, for example, software supplied via the cloud, are classified as services in Class 42, and as to the latter that this supported the Opponent’s case as to how M12 was likely to be viewed.

Discussion

24. In support of grounds 1) – 3) the Applicant relied on the so called principle that the consumer can more easily recognise differences between short marks and distinguish them.

25. The Applicant cited 3 decisions:
- (i) the Decision of the EUIPO 4th Board of Appeal of 16 May 2013 in Case R 850/2012-4 *DSQUARED2 TM SA v. Primark Holdings*, where the Board held that there was no likelihood of confusion between D²/D2 and D26 for identical and similar goods in Classes 9, 14, 18, 25 and 28 essentially on the basis that the trade marks were visually and aurally dissimilar. Compelling considerations for the Board included that the earlier trade marks were weakly distinctive both in their individual elements and totalities for the goods concerned;
 - (ii) the Decision of Mr Iain Purvis QC sitting as the Appointed Person in *ELLA Trade Mark*, BL O/277/12 upholding the Hearing Officer's determination that there was no likelihood of confusion between ELLA (applied for) and ELLE (the earlier trade mark) for footwear in Class 25. Mr Barry reminded me that in *ELLA* there was found to be a conceptual difference between ELLA and ELLE (confirmed on appeal) since ELLA would be recognised as a female forename whereas ELLE would be recognised as the French pronoun for "she";
 - (iii) the Decision of Ms. Skilton for the Registrar in *GTF Fig Trade Mark*, BL O/547/16. There the Hearing Officer held that there was no likelihood of confusion between the mark applied for GTF figurative and the earlier trade mark GTE for vehicles in Class 12. Again Mr Barry drew my attention to a difference (amongst others) in this case in that the respective marks were likely to be regarded as different acronyms in the context of the goods.
26. As the Hearing Officer observed both in the present decision³ and *GTF*⁴ it is well established in the case law that each case must be determined on its own facts.
27. Indeed this was confirmed by Mr Purvis in *ELLA* where he said in relation to any supposed arbitrary rule in relation to the comparison of short marks (para. 19): "The right approach as a matter of principle is to consider each case on its own merits."
28. Mr Rundle accepted that the Hearing Officer had in mind the comments by Mr Purvis in *ELLA* regarding the shortness of the marks in that case because the Hearing Officer reproduced these comments (in the context of the Applicant's submissions) at paragraph 35 of her decision. At paragraph 20 of *ELLE*, Mr Purvis had said:
- "20. ... In considering visual similarity, it was clearly right to take into account the shortness of the marks, since a change of one letter in a mark which is only 4 letters long is clearly more significant than such a change in a longer mark."
29. However, Mr Rundle said that the Hearing Officer had misapplied those comments in arriving at her findings that in connection with the present trade marks: (1) the degree

³ At paragraph 54 in relation to the Opponent's argument that the decision in Case T-77/10, *Certmedica International GmbH v. OHIM*, EU:T:2012:95 in which the GCEU held that the marks L112 and L114 were confusingly similar, was directly applicable in the present case.

⁴ Paragraph 41.

O-684-18

of visual similarity was fairly high; and (2) the degree of aural similarity was medium, or medium to high depending on whether the mark applied for was pronounced “M-12” (most likely) or “M-1-2” (possible).

30. That said, the Applicant failed to convince me as to why the Hearing Officer misapplied the observations of Mr Purvis in *ELLA*, other than that the Applicant disagreed with the result in the present case.
31. On the face of the decision itself, the Hearing Officer’s estimation of the degree of visual similarity between the respective trade marks followed from the Applicant’s own exposition of the constituent elements of those trade marks (see para. 22(1) above). Whereas reasonable minds might differ as to the outcome of that estimation, it was not in my judgment beyond the entitlement of the Hearing Officer to find on the facts that there was a fairly high degree of visual similarity between the respective trade marks.
32. Similarly in my view it was within her entitlement to find that there was a medium or medium to high degree of aural similarity depending on how the trade marks were pronounced by the relevant consumer. Here the Hearing Officer had accepted that the most likely pronunciation of the trade mark in suit was, as the Applicant had argued, “M-12” but nonetheless held that the degree of phonetic similarity was medium – medium to high if pronounced “M-1-2” – as opposed to dissimilar as advanced by the Applicant. Those were judgment calls on her part with which I am not persuaded I should interfere.
33. Moving on to the Hearing Officer’s findings of likelihoods of direct and indirect confusion, the Applicant criticised the opening statement to her conclusions in that regard:

“56. I agree with the opponent, based on my own experience, that it is fairly common within the IT and technology fields for different iterations of products and services to be provided under sequential alpha/numeric systems.”
34. The Applicant argued that whilst that may be true in connection with goods, it was not true in relation to services. The Opponent responded that software can fall within Class 9 (goods) or Class 37 (services) depending on how it is supplied and there was homogeneity within the IT industries.
35. I think that there are *inter alia* 4 points to make here (in no particular order of importance).
36. First, a hearing officer can bring to bear on the global assessment of likelihood of confusion his or her own experience as an average consumer of the goods or services in question (*esure Insurance Limited v. Direct Line Insurance Plc* [2008] EWCA Civ 842, paras. 54 – 56).
37. Second, neither party adduced any evidence on this issue although the Hearing Officer recorded that the Opponent had provided the example of products such as *Windows 7* and *Windows 10* in its skeleton argument (paras. 7.5, 7.13). It seems to me fair to say that those products would be known to the relevant average consumer.

O-684-18

38. Third, this was only 1 of the factors taken into account by the Hearing Officer in her global assessment of likelihood of confusion. She had originally referred to combinations of letters and numerals not being uncommon in the context of the services at issue in her conceptual comparison of the respective trade marks. She decided on that basis that the trade marks were conceptually neutral and at the appeal hearing Mr Rundle told me that his client accepted that finding.
39. Fourth, other relevant factors included (in accordance with the case law) her findings as to the identity/similarity of the services, the degree of similarity in the trade marks, the distinctiveness of the earlier trade mark, the attributes of the average consumer and the nature of the purchase act and the principles of interdependence and imperfect recollection.
40. I am not convinced that in a fluid industry such as computer software a rigid distinction can or would be drawn by the relevant consumer between software products and software services. Moreover, even if such a distinction could be drawn (so that the Hearing Officer's challenged statement was misadvised)⁵, I do not believe that this materially would have affected the outcome given the Hearing Officer's other findings as to the relevant circumstances in her global determination of the likelihood of, not only indirect, but also direct confusion in this case.

Conclusion and costs

41. For the above reasons in my judgment the appeal has failed.
42. The Hearing Officer ordered the Applicant to pay to the Opponent the sum of £1,400 as a contribution towards the Opponent's costs of the opposition. I will order the Applicant to pay to the Opponent the further sum of £900 as a contribution towards the Opponent's costs of this appeal, such sums to be paid within 28 days of the date of this decision.

Professor Ruth Annand, 29 October 2018

Mr Terry Rundle of Wilson Gunn appeared on behalf of the Appellant/Applicant

Mr Joel Barry of CMS Cameron McKenna Nabarro Olswang LLP appeared on behalf of the Respondent/Opponent

⁵ My own experience does not allow for verification either way.