

BL O-280-19

TRADE MARKS ACT 1994

IN THE MATTER OF

INTERNATIONAL REGISTRATION DESIGNATING THE UNITED KINGDOM

WO0000001365281

BY DIAMOND CARD CORPORATION

TO REGISTER THE FOLLOWING TRADE MARK:

DiamondPay

AND

OPPOSITION THERETO (No 412125)

BY EUI LIMITED

Background and pleadings

1. **DIAMOND CARD CORPORATION** (the holder) requested protection of International Registration (IR) WO0000001365281 for the mark:

DiamondPay

in the UK on 30 June 2017. It was published on 05 January 2018, in accordance with the Trade Marks (International Registration) Order 2008 (SI 2008/2206 as amended). The holder requests protection for the mark in respect of the following services:

Class 36: Insurance services, namely, travel insurance; financial services, namely, providing a wide range of information and analysis to financial institutions by electronic means in connection with credit, debit, stored value and other payment cards, specifically, cardholder spending, fraud, risk management, terminated merchants, reporting of chargebacks, retrievals and exceptions; providing financial services information via a global computer network; banking and credit services; services of credit, debit, purchasing, cash payment and prepayment cards; financial services relating to payment of bills; automated teller machine services; processing of cardholder financial credit, debit, purchasing, stored value and/or prepaid card transactions both online via a computer database or through 2telecommunications and at points of sale; payment processing services for financial transactions carried out by cardholders through automated teller machines; provision of financial account details, namely, cash balances, deposits and withdrawals to cardholders through automatic teller machines; financial settlement and authorisation services, namely, the settling of international and commercial transactions through obtaining the proceeds of a sale in cash in exchange for formal debt instructions; financial account settlement services, namely, the settling of international and commercial transactions through obtaining the proceeds of a sale in cash or in exchange for formal debt instructions; electronic funds transfer and foreign exchange services; providing financial information over the internet and other computer networks; financial services for facilitating the use of electronic payments, namely, electronic processing and subsequent

transmission of payment transactions and data being electronic wallet payment services; foreign currency transfers; electronic payment services, namely, electronic processing and transmission of bill payment data; cardholder financial authorisation and debt settlement services; offer of debit and credit transaction services by means of radio frequency identification devices and transponders; provision of debit and credit transaction services by means of communication and telecommunications devices; cheque verification services, issue and redemption services, all in connection with travellers' cheques and travel vouchers; provision of financial support services, namely, payment services to retail services provided online, via networks or other electronic media using electronically digitised data; services for exchanging securities, namely, the secure exchange of securities, namely, payment in electronic cash via computer networks accessible by smart cards; online banking services; investment services including the services of insurance and assurance agents, insurance and assurance brokers, insurers, financiers, investment consultants and agents, real estate, valuation, investment management and development of investment portfolio, estate agencies; all of the foregoing expressly excluding credit card services in connection with the sale of jewellery products.

2. **EUI Limited** (the opponent) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act), relying upon the following earlier rights:
3. United Kingdom Trade Mark 3072430 for the mark **DIAMOND MULTICAR**, filed on 12 September 2014 and registered on 16 January 2015; relying only on the class 36 element of the registration, namely:

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; insurance and financial services; motor and non-marine general insurance services; motor insurance; fire insurance; health insurance; life insurance; marine insurance; information services relating to insurance and finance; insurance brokerage, consultancy, information and underwriting services; underwriting of motor accident insurance; brokerage of stocks, bonds and securities; financial consultancy, information and management services; capital investment; fund investment; loan, warranty and extended warranty services financing of loans;

investment services; financial management services; unit trust, mortgaging, investment management, trusteeship, pension and financial advisory services; financial sponsorship; issuance of credit cards, charge cards and debit cards; trade discount card services; financial evaluation (insurance and real estate); financial management of consumer and trade schemes; electronic transfer of funds; charitable fund raising; advice and consultancy services relating to all the aforesaid services.

4. United Kingdom Trade Mark 3088525 for the mark **DIAMOND MULTICOVER**, filed on 08 January 2015 and registered on 05 June 2015; relying only on the class 36 element of the registration, namely:

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; insurance and financial services; motor and non-marine general insurance services; motor insurance; fire insurance; health insurance; life insurance; marine insurance; information services relating to insurance and finance; insurance brokerage, consultancy, information and underwriting services; underwriting of motor accident insurance; brokerage of stocks, bonds and securities; financial consultancy, information and management services; capital investment; fund investment; loan, warranty and extended warranty services financing of loans; investment services; financial management services; unit trust, mortgaging, investment management, trusteeship, pension and financial advisory services; financial sponsorship; issuance of credit cards, charge cards and debit cards; trade discount card services; financial evaluation (insurance and real estate); financial management of consumer and trade schemes; electronic transfer of funds; charitable fund raising; advice and consultancy services relating to all the aforesaid services.

5. European Union Trade Mark (EUTM) 11119393 for the mark:



filed on 14 August 2012 and registered on 30 July 2015 in several classes, but relying only on the class 36 element, namely:

Class 36: Insurance; motor and non-marine general insurance services; fire insurance; health insurance; life insurance; marine insurance; information services relating to insurance provided on-line from a computer database or the Internet; insurance brokerage, consultancy, information and underwriting services; underwriting of motor accident insurance; financial evaluation (insurance); provision of financial information relating to the purchase of automobile and non-marine insurance; identification, investigation, management and initiation of claims for damage to property, persons and animals arising from motor accidents, accidents occurring in the home, place of work, sports fields and environs, public and private roads, educational and religious institutions and other public domains; advice and consultancy services relating to all the aforesaid services.

6. The opponent claims in its statement of grounds that all of the applied for goods are identical or highly similar to the goods and services protected under its earlier mark, and that the marks are similar. It claims that the word 'DIAMOND' forms the dominant and distinctive element in all of the marks at issue and that the word 'Pay' in the contested mark is not capable of distinguishing the marks, due to its non-distinctive and descriptive connection to the contested services.
7. The holder denies all of the opponent's claims in its counterstatement.
8. The holder filed a witness statement of Taryn Jennifer Byrne, of Page, White & Farrer Limited, the holder's representatives, along with evidence in the form of three exhibits numbered TJB1, TJB2 and TJB3. In her witness statement Ms Byrne states:
 - A search of the UK Register shows that there are nearly 150 live UK and EU registrations for marks including the word 'DIAMOND' in class 36. More than half are UK registrations, this shows that the word DIAMOND is a popular choice for traders (see Exhibit TJB1).

- A search online for the word 'DIAMOND' found use of that word by various different traders in relation to financial and insurance services in the UK. It is therefore commonplace (see Exhibit TJB2).
- A search of Companies House records for company names including the word 'DIAMOND' revealed 7556 matches. Exhibit TJB3 is a selection of the first few results from that search at Companies House.

9. The opponent filed written submissions in lieu, stating:

- In respect of its earlier EU figurative mark, case law confirms that words are usually dominant (Case T-205/06, NewSoft Technology Corp. v EUIPO, 22 May 2008). In respect of its two earlier UK marks, 'DIAMOND' is the dominant and distinctive element in both marks. The elements 'MULTICAR' and 'MULTICOVER' loosely allude to the ability of the consumer to achieve multiple covers within a single insurance policy or insure multiple cars with one policy.
- The contested mark consists of the words 'DIAMOND' and 'PAY' conjoined. The word 'PAY' is a verb which describes the action of giving money to someone in exchange for goods or services. This will be understood by the average consumer and will be perceived as entirely descriptive of the services offered by the holder. The dominant and distinctive element of the contested mark is the word 'DIAMOND'.
- Comparing the contested mark with the earlier device mark, these marks are visually highly similar. The word 'DIAMOND' will be enunciated first in each of the marks at hand and the marks are therefore highly similar phonetically. As the word 'PAY' in the contested mark is so descriptive, it is possible that this element of the mark may not even be articulated. The marks at issue are conceptually highly similar as they share the word 'DIAMOND'. Where the consumer does not articulate the word 'PAY' due to its descriptiveness, these marks can be considered to be phonetically identical.

- Comparing the earlier UK word marks 'DIAMOND MULTICAR' and 'DIAMOND MULTICOVER', with the contested mark 'DiamondPay', the marks are visually, aurally and conceptually similar. The allusive elements 'MULTICOVER' and 'MULTICAR' and the descriptive element 'PAY' are all secondary elements and do not prevent the marks from being visually similar.
- The services of the contested mark should all be found to be identically covered within the services protected under the earlier rights. It is submitted that where identity is not found, the services are at least highly similar, they share nature, purpose and would be in competition with each other.
- Given the degree of similarity between the marks and the identity/high similarity between the services, there exists a strong likelihood of confusion between the marks at issue.

10. The holder filed written submissions in lieu, stating:

- The relevant public must be identified. The services at issue are financial and insurance services and are directed at all consumers. These services may involve large sums of money and legal transactions which require legal assistance, bankers and financial advisors, and in this respect the relevant public will pay a high degree of attention when selecting such services. Financial services are specialized services that may have important consequences for the user, therefore the level of attention will be very high.
- It is relevant to note that there are a number of 'DIAMOND' marks coexisting in the relevant trade. The witness statement of Ms Byrne and the exhibits, show this. The fact that there are so many 'DIAMOND' marks coexisting in the same market and closely related sectors, suggests that the relevant consumer has become used to distinguishing between them based on other elements in each mark.
- The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The device mark is striking in its

stylisation, with the pink colour rectangle and word element superimposed, the mark appears to be in 3D. The contested mark is a plain word mark and the word 'PAY' is not contained in the opponent's earlier marks.

- Visually the marks are different lengths and they differ in their endings. The inclusion of the word 'PAY' in the contested mark impacts on the rhythm and intonation on a phonetic level.
- The opponent would not have sought registration of the elements 'MULTICAR' and 'MULTICOVER' if it felt that they were so weakly distinctive – the opponent has claimed these elements are allusive and therefore secondary in their earlier marks.
- The opponent's services all relate to various kinds of insurance. Most of the holder's services relate to financial services which are provided by banks but not by insurance providers. Many of the holder's financial services should therefore not be considered similar or complementary to the opponent's insurance services. In respect of the services which are considered to be identical or similar, the differences between the marks is sufficient to ensure no confusion.

11. I will take these submissions into account as I make my decision.

12. No hearing was requested and so this decision is taken following a careful perusal of the papers.

13. The holder has been represented throughout the proceedings by Page, White & Farrer Limited whilst the opponent has been represented by A.A. Thornton & Co.

Decision

Section 5(2)(b)

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

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

(a)

(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.”

15. The following principles are gleaned from the decisions of the Court of Justice of the European Union (“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.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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

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

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

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

16. For the sake of procedural economy, I will begin by comparing the opposed mark with the earlier UK mark 3088525 – DIAMOND MULTICOVER. I will go on to consider the remaining earlier marks later in this decision.

Comparison of goods and services

17. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

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 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.

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

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

20. The parties’ respective specifications are:

Earlier mark: DIAMOND MULTICOVER	International Registration: DiamondPay
Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; insurance and financial services; motor and non-marine general insurance services; motor insurance; fire insurance; health insurance; life insurance; marine insurance; information services relating to insurance and finance; insurance brokerage, consultancy, information and underwriting services; underwriting of motor accident insurance; brokerage of stocks, bonds and securities; financial consultancy, information and management services; capital investment; fund investment;	Class 36: Insurance services, namely, travel insurance; financial services, namely, providing a wide range of information and analysis to financial institutions by electronic means in connection with credit, debit, stored value and other payment cards, specifically, cardholder spending, fraud, risk management, terminated merchants, reporting of chargebacks, retrievals and exceptions; providing financial services information via a global computer network; banking and credit services; services of credit, debit, purchasing, cash payment and prepayment cards; financial services

<p>loan, warranty and extended warranty services financing of loans; investment services; financial management services; unit trust, mortgaging, investment management, trusteeship, pension and financial advisory services; financial sponsorship; issuance of credit cards, charge cards and debit cards; trade discount card services; financial evaluation (insurance and real estate); financial management of consumer and trade schemes; electronic transfer of funds; charitable fund raising; advice and consultancy services relating to all the aforesaid services.</p>	<p>relating to payment of bills; automated teller machine services; processing of cardholder financial credit, debit, purchasing, stored value and/or prepaid card transactions both online via a computer database or through telecommunications and at points of sale; payment processing services for financial transactions carried out by cardholders through automated teller machines; provision of financial account details, namely, cash balances, deposits and withdrawals to cardholders through automatic teller machines; financial settlement and authorisation services, namely, the settling of international and commercial transactions through obtaining the proceeds of a sale in cash in exchange for formal debt instructions; financial account settlement services, namely, the settling of international and commercial transactions through obtaining the proceeds of a sale in cash or in exchange for formal debt instructions; electronic funds transfer and foreign exchange services; providing financial information over the internet and other computer networks; financial services for facilitating the use of electronic payments, namely, electronic processing and subsequent transmission of payment transactions</p>
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	<p>and data being electronic wallet payment services; foreign currency transfers; electronic payment services, namely, electronic processing and transmission of bill payment data; cardholder financial authorisation and debt settlement services; offer of debit and credit transaction services by means of radio frequency identification devices and transponders; provision of debit and credit transaction services by means of communication and telecommunications devices; cheque verification services, issue and redemption services, all in connection with travellers' cheques and travel vouchers; provision of financial support services, namely, payment services to retail services provided online, via networks or other electronic media using electronically digitised data; services for exchanging securities, namely, the secure exchange of securities, namely, payment in electronic cash via computer networks accessible by smart cards; online banking services; investment services including the services of insurance and assurance agents, insurance and assurance brokers, insurers, financiers, investment consultants and agents, real estate, valuation, investment management and</p>
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	development of investment portfolio, estate agencies; all of the foregoing expressly excluding credit card services in connection with the sale of jewellery products.
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21. The opponent's earlier services 'Insurance; financial affairs; monetary affairs; real estate affairs; insurance and financial services' are broad terms that include all of the general indications in the Nice classification class heading for class 36. As such they wholly encompass all of the holder's services when applying the *Meric* principle. Therefore, all of the services at issue are considered to be identical.

Average consumer and the purchasing act

22. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

23. 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 word “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

24. The services at issue cover a wide range of financial, insurance and real estate services. These include services that will be offered to members of the public and

specialist services offered to business customers. I therefore find that the average consumer of the services at issue may be a member of the general public or a professional.

25. Decisions taken on the selection of these kinds of services are particularly important to most consumers. They are often also decisions not taken frequently, for example, the selection of a mortgage or life insurance product. The average consumer of insurance, real estate and financial services can generally be expected to pay a medium to high level of attention when selecting a service provider.

26. Service providers are likely to be selected by visual means, from websites, brochures, newspapers, magazines, etc. Word of mouth recommendation may also play some part in the selection process, so aural consideration is also important.

Comparison of marks

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

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

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 marks to be compared are:

Earlier mark	Contested mark
DIAMOND MULTICOVER	DiamondPay

30. The opponent's mark consists of the plain words 'DIAMOND' and 'MULTICOVER'. The term 'MULTICOVER' in the mark is likely to be given less weight, as it will be perceived as potentially descriptive. The word 'DIAMOND' is an ordinary word which has no particular association with the services at issue, although it may allude to an expression of quality. I find that neither word dominates the other in the overall impression, however due to the descriptive nature of the word 'MULTICOVER', that word can be said to play a lesser role in the mark than the word 'DIAMOND'.

31. The holder's mark is comprised of the words 'Diamond' and 'Pay' conjoined. Despite being presented as a single term, the use of a capital letter 'P' serves to ensure that both words are distinguishable. The word 'DIAMOND' is an ordinary word which has no particular association with the services at issue, although it may allude to an expression of quality. The word 'Pay' will be considered to be descriptive within the context of the services at issue. I find that neither word dominates the other in the overall impression, however due to the descriptive nature of the word 'Pay', that word can be said to play a lesser role in the mark than the word 'DIAMOND'.

Visual similarity

32. The marks are visually similar insomuch as they both contain the word 'DIAMOND', which forms the beginning of each mark.
33. The marks are visually different in respect of the word 'MULTICOVER' present in the opponent's earlier mark which has no counterpart in the contested mark, and in the word 'Pay' of the contested mark, which has no counterpart in the earlier mark.
34. Weighing up the similarities and differences and taking account of the placement of the word 'DIAMOND' at the beginning of the marks, I find the marks to be visually similar to a higher than average degree.

Aural similarity

35. The opponent's earlier mark is comprised of the verbal elements 'DIAMOND MULTICOVER' which will be enunciated as '*DIE/AH/MUND/MUL/TEE/KUH/VAH*'. The holder's contested mark is comprised of the words 'Diamond' and 'Pay'. The mark will be articulated as '*DIE/AH/MUND/PEI*'.
36. Both marks share the same beginnings, being identical for the first three syllables in each mark. As such, the marks can be said to be aurally similar to at least a medium degree.

Conceptual similarity

37. The word 'DIAMOND', present in both marks, will be understood as meaning a hard, bright, precious stone. A diamond has no obvious link or association with the services at issue, however the word is sometimes used to denote a quality, and therefore, this term in both marks may be perceived as conveying the concept of a quality.

38. The other element in the earlier mark, 'MULTICOVER', is a term that the opponent has stated in submissions, refers to an insurance policy that can cover multiple items or vehicles. This accords with my understanding of the term. The word 'MULTICOVER' will therefore be understood as a descriptive term by the average consumer of financial and insurance services, and little weight will be attached to it, over and above the descriptive message it conveys.
39. The additional element in the holder's mark, namely the word 'Pay', will be understood as a descriptive word informing the consumer that the services on offer involve an act of making payment, or assist in an act of paying for something.
40. As both marks contain, and begin with, the word 'DIAMOND' and, as the other elements in each of the marks have been found to be descriptive and non-distinctive, the marks are considered to be conceptually highly similar.
41. In conclusion, the marks have been found to be conceptually highly similar, visually similar to a higher than average degree and phonetically similar to at least a medium degree.

Distinctive character of the earlier trade mark

42. 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).”

43. The opponent has not claimed that its earlier mark has an enhanced distinctive character through use. I therefore have only the inherent position to consider.

44. 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. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything, it will reduce it.”

45. The opponent’s mark is comprised solely of the words ‘DIAMOND MULTICOVER’. The only common element between the marks at issue is the word ‘DIAMOND’, which has no obvious connection with the services at issue, however it is a fairly

common and basic word in the English language and can therefore be said to have no more than an average degree of inherent distinctiveness. The term 'MULTICOVER' is descriptive and non-distinctive within the mark and is therefore considered to be a weaker element. In totality I find the earlier mark to be inherently distinctive to an average degree.

Likelihood of Confusion

46. I now draw together my earlier findings into a global assessment of the likelihood of confusion, keeping in mind the legal principles established previously (see paragraph 15 above).

47. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive it is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

48. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

49. I have already found that:

- the services are identical;
- the marks are conceptually highly similar, visually similar to a higher than average degree and phonetically similar to a higher than average degree;

- the average consumer may be a member of the general public or a professional;
- the consumer can be expected to be paying a medium to high level of attention when making the purchase;
- for the services at issue, the visual and aural elements will both be important;
- the earlier mark has an average level of inherent distinctiveness.
- The word 'DIAMOND' is the sole distinctive element in the marks to hand.

50. Having weighed up all the factors, I conclude that there is likelihood of direct confusion between the marks. While the average consumer is likely to be paying greater than average attention during the purchasing act, I have taken into account the nature of the purchasing process. It is not wholly visual. Word-of-mouth recommendations are likely to play a significant part in a proportion of the purchases. If a consumer is recommended to go to "DIAMOND" for financial or insurance services, they are likely to believe they have found the right service provider, whether they find the opponent's mark or that of the holder.

51. Whilst I have taken note of the holder's comments in submissions, regarding the state of the register and the claim that the word 'DIAMOND' is in common use in the relevant business area, I am not persuaded that this argument has an impact on the likelihood that the average consumer will confuse the marks at hand.

52. The holder claims that the co-existence of many 'DIAMOND' marks within trade marks and company names, in the same or similar fields of business, suggests that consumers have become accustomed to encountering 'DIAMOND' marks of different traders and distinguishing them based on other elements in the marks. In this regard I recall the comments in *Zero Industry Srl v OHIM*, Case T-400/06, where the General Court stated that:

"73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '... there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding

before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71).”

53. For the sake of completeness, I go on now to consider the potential for indirect confusion between the marks.

54. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even

where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

55. I find that the marks at issue can be said to fall under the final category put forward by Mr Purvis above. As the word ‘DIAMOND’ has been found to be the distinctive element within each mark, and as the additional elements are considered to be descriptive in the relevant sector, a consumer who is aware of the brand ‘DIAMOND MULTICOVER’ will, when faced with the holder’s mark ‘DiamondPay’, assume that this mark is simply a brand extension of the ‘DIAMOND’ range of financial and insurance services provided by the opponent.

56. Whilst I accept that indirect confusion should not be reached merely because the marks share a common element, and that what is required by the average consumer is an instinctive reaction that leads them to the conclusion that the identical services come from the same (or related) trade origin, I find that that instinctive reaction is present in this case.

Conclusion

57. There is a likelihood of confusion between the marks. The opposition succeeds in full. The International Registration is, subject to appeal, refused.

58. Having reached this conclusion in respect of the opponent’s earlier UK mark ‘DIAMOND MULTICOVER’, I do not need to go further and consider the opponent’s other two earlier marks, which are, in any event less similar either in respect of the marks themselves or the scope of the services that they are registered for. Neither

mark puts the opponent in a stronger position than the mark which has been compared with the contested mark.

Costs

59. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £700 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Opposition fee	£200
Preparing the statement of case and considering the counterstatement	£200
Preparing written submissions	£300
Total	£700

60. I therefore order DIAMOND CARD CORPORATION to pay EUI Limited the sum of £700. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 23rd day of May 2019

**Andrew Feldon
For the Registrar
The Comptroller-General**