O/750/19

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003345577

BY ADP GAUSELMANN GMBH

TO REGISTER THE TRADE MARK:

Mystique

IN CLASS 28

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 414922 BY

GAMING1 SPRL

BACKGROUND AND PLEADINGS

1. On 15 October 2018, adp Gauselmann GmbH ("the applicant") applied to register the trade mark **Mystique** in the UK. The application claimed priority from EUTM no. 17913052, with a priority date of 5 June 2018. The application was published for opposition purposes on 26 October 2018. Registration is sought for the goods set out in paragraph **31** below.

2. On 21 December 2018, the application was opposed by GAMING1 SPRL ("the opponent") based upon section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opponent relies on the following trade marks:

EUTM no. 16658775
Filing date 9 June 2017; registration date 27 September 2017
("the First Earlier Mark")

EUTM no. 11849452
Filing date 28 May 2013; registration date 30 September 2013
("the Second Earlier Mark")

3. The goods upon which the opponent relies are listed in paragraph **31** below.

4. The opponent claims that there is a likelihood of confusion because the marks are similar, and the goods are identical or similar.

5. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of use of the Second Earlier Mark.

6. The opponent is represented by COGITUS SPRL and the applicant is represented by Abel & Imray. The opponent filed evidence, as set out below, and the applicant filed written submissions during the evidence rounds. The opponent did not file evidence in reply. No hearing was requested and neither party filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

7. The opponent filed evidence in the form of the following statements:

a. The witness statement of Mr Philippe Partoune dated 28 April 2018, which is accompanied by 8 exhibits. Mr Partoune is the trade mark attorney acting on behalf of the opponent.

b. The witness statement of Mr Vicent Lamberts dated 6 May 2019, which is accompanied by 1 exhibit. Mr Lamberts is Head of Legal for the opponent.

c. The witness statement of Mr Christian Verzele dated 3 May 2018. Mr Verzele is CEO Director of a business called Noordzee Electronic.

d. The witness statement of Mr Rudy De Backer dated 6 May 2019. Mr De Backer is CEO Director of a business called Pacman NV.

8. I have read the statements in their entirety. I will summarise the evidence below when I turn to my assessment of genuine use.

DECISION

9. Section 5(2)(b) states as follows:

"5(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."

10. Given their dates of application, the trade marks upon which the opponent relies qualify as earlier trade marks pursuant to section 6 of the Act. The First Earlier Mark had not completed its registration process more than 5 years before the publication date of the application in issue and is not, therefore, subject to proof of use pursuant to section 6A of the Act. The opponent can, therefore, rely upon all of the goods identified for this mark. However, the Second Earlier Mark had completed its registration process before that date and is, therefore, subject to proof of use.

Proof of use

11. The first issue is whether, or to what extent, the opponent has shown genuine use of the earlier marks. The relevant statutory provisions are as follows:

"Raising of relative grounds in opposition proceedings in case of non-use

6A-(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form of which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

12. Section 100 of the Act is also relevant, which reads:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

13. According to section 6(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. The relevant period is, therefore, 27 October 2013 to 26 October 2018.

14. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

"114……The CJEU has considered what amounts to "genuine use" of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

15. As the Second Earlier Mark is an EUTM, the comments of the Court of Justice of the European Union ("CJEU") in *Leno Merken BV v Hagelkruis Beheer BV,* Case C-149/11, are relevant. The court noted that:

"36. It should, however, be observed that […] the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase 'in the Community' is intended to define the geographical market serving as the

reference point for all consideration of whether a Community trade mark has been put to genuine use."

And:

"50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as 'genuine use', it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark."

And:

"55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology,* paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)".

The court held that:

"Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of

whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.

A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the mark concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

16. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited,* [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

"228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issue in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute

genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that he mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guilford, and thus a finding which still left open the possibility of conversion of the community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State." On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

17. The General Court ("GC") restated its interpretation of *Leno* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there

are no special factors, such as the market for the goods/services being limited to that area of the Union.

18. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods at issue in the Union during the relevant 5-year period. In making the assessment I am required to consider the relevant factors, including:

a) The scale and frequency of the use shown;

b) The nature of the use shown;

c) The goods for which use has been shown;

d) The nature of those goods and the market(s) for them; and

e) The geographical extent of the use shown.

19. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

20. The applicant accepts that the opponent’s evidence “appears to suggest that the Opponent has made some use of the name MYSTIC CHARM in connection with an online slot game”. However, the applicant disputes whether the evidence shows genuine use of the mark as registered.

21. In my view, there are a number of problems with the opponent’s evidence. Firstly, much of it is not in English. Mr Partoune has provided his own translations of the documents but, as these are not certified, they do not assist the opponent. Secondly, a number of documents are dated outside of the relevant period. For example, Exhibit

PHP02 is a screenshot from the Facebook page of Circus Casino which displays a post including the Second Earlier Mark as registered. However, it is dated 26 September 2013 which predates the relevant period. Further, Mr Partoune has provided website screenshots at exhibits PHP05, PHP06 and PHP08 which show variants of the Second Earlier Mark on websites called NetBet, Vegas Slot Online and SlotCatalogue.com. However, these are undated and Mr Partoune states that they were obtained on 18 April 2019, which is after the relevant period. I note that Exhibit PHP06 does state that the game was 'released' on 14 February 2017, but no information is given about the number of users or their location.

22. Those documents that are dated during the relevant period do not, in my view, establish genuine use of the Second Earlier Mark. Mr Partoune has provided a report prepared by NMi Metrology & Gaming Ltd dated 25 May 2016, which is said to be an assessment of online casino games played on the Portuguese platform Estoril Sol Digital.[1] However, as this document is not in English, its assistance is limited. In any event, even taking the translation provided by Mr Partoune himself, no explanation is given for the context of this report. Mr Partoune's translation states:

> "More than 10,100,000 simulated played games, the game's ROP was observed to be 95.73% with a 95% confidence interval going from 95.26% to 96.20% for a number of 100,000 plays. The volatility index determined was 14.85."

23. This appears to be a report about the functionality of the game, rather than the use made of it. It is not clear whether the "simulated played games" referred to here are actually games played by customers or games simulated for the purpose of this report. No explanation regarding this is given by Mr Partoune.

24. Exhibit PHP07 is a review of the MYSTIC CHARM game which is dated 17 March 2017. However, it is not clear where this review was posted and no further information is provided by Mr Partoune regarding this. Mr Partoune has provided a second screenshot from the Facebook page of Circus Casino which is dated 10 March 2017

[1] Exhibit PHP04

(and therefore within the relevant period).[2] This displays a post including a variant of the Second Earlier Mark.

25. Mr Lamberts' evidence introduces a screenshot of a dashboard which he states shows "all payment made from 2014 to 2019 from the online exploitation of the game MYSTERY RACE".[3] He goes on to state that the "game name" is MYSTIC CHARM. It is not, therefore, clear as to whether the figures provided relate to payments made for games sold under the Second Earlier Mark or a different mark entirely i.e. MYSTERY RACE. However, I do note that the second part of this dashboard does refer to MYSTIC CHARM. In any event, the dashboard does not confirm in what jurisdiction these sales were made and no explanation is provided by Mr Lamberts. These do not, therefore, assist in demonstrating sales under the Second Earlier Mark in the EU.

26. Mr Verzele and Mr De Backer both state that the game MYSTIC CHARM has been in use on their websites between 1 January 2014 and May 2019. However, again, no information is provided about how many individuals have used that game or the jurisdiction within which that use has been made. Consequently, these statements do not assist in demonstrating use of the Second Earlier Mark in the EU.

27. In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

> "22. The burden lies on the registered proprietor to prove use… However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance)

[2] Exhibit PHP03
[3] Exhibit VL1

comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public."

28. I also note Mr Alexander's comments in *Guccio Gucci SpA v Gerry Weber International AG* (O/424/14). He stated:

> "The Registrar says that it is important that a party puts its best case up front – with the emphasis both on "best case" (properly backed up with credible exhibits, invoices, advertisements and so on) and "up front" (that is to say in the first round of evidence). Again, he is right. If a party does not do so, it runs a serious risk of having a potentially valuable trade mark right revoked, even where that mark may well have been widely used, simply as a result of a procedural error. […] The rule is not just "use it or lose it" but (the less catchy, if more reliable) "use it – and file the best evidence first time round – or lose it"" [original emphasis].

29. The burden of proving use lies with the opponent. Taking the evidence as a whole into account, I am unable to find that there has been genuine use of the Second Earlier Mark during the relevant period in the EU. The effect of this finding is that the opponent can only rely upon the First Earlier Mark for the purposes of this opposition. However, in the event that I am wrong in my finding regarding proof of use and for the sake of completeness, I will also consider the outcome of the opposition in respect of the Second Earlier Mark if the opponent had demonstrated genuine use for the full specification relied upon.

Section 5(2)(b) – case law

30. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98,

Matratzen Concord GmbH v OHIM, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P.

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a 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 to mind the earlier mark, is not sufficient;

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

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

Comparison of goods

31. I note that in its Form TM7, the opponent has not used the same wording as set out in its specifications when listing those goods relied upon. However, as it will not affect the outcome of the opposition, I will use the wording set out by the opponent in its pleadings. The competing goods are as follows:

Opponent's goods	**Applicant's goods**
The First Earlier Mark Class 9 Computer software and hardware relating to games, video games, gambling, bingo games, casino games, instant win games, lotteries and betting activities; online downloadable game software and game software applications; interactive video game programs; electronic game software and software applications relating to	Class 28 Games; Toys; Gaming apparatus (including coin-operated apparatus); Coin-operated arcade games (machines); Games for amusement arcades (included in class 28); Coin-operated video gaming apparatus; Video games apparatus adapted for use with external screens or monitors only; Casino fittings, namely roulette tables, roulette wheels; Coin-operated

downloadable games via the internet, computers and wireless devices; software for uploading, publishing, displaying, displaying, tagging, blogging, sharing or otherwise providing multimedia content or electronic information relating to virtual electronic games, entertainment, and general interest, via the internet or other communications networks, with others; computer software for searching, browsing and retrieving information, sites, and other resources available on global computer networks for others. <u>Class 28</u> Games; playing cards; electronic game apparatus; games of chance; games involving gambling; slot machines operating, online or offline, with coins, tokens, banknotes, tickets or via electronic, magnetic or biometric storage media. **Second Earlier Mark** <u>Class 9</u> Computer software and hardware relating to games, video games, gambling, casino games; online downloadable game software and game software applications; interactive video game programs; electronic game software and software applications	automatic gaming machines and gaming machines, in particular for gaming arcades, with or without a prize payout; Electronic or electrotechnical gaming apparatus, automatic gaming machines, gaming machines, slot machines operated by coins, tokens, banknotes, tickets or by means of electronic, magnetic or biometric storage media, in particular for commercial use in casinos and amusement arcades, with or without a prize payout; Automatic gaming machines and gaming machines, in particular for commercial use in casinos and gaming arcades, with or without a prize payout; Coin-operated gaming machines and/or electronic money-based gaming apparatus (machines), with or without prizes; Housings adapted for gaming machines, gaming apparatus and automatic gaming machines, operated by means of coins, tokens, tickets or by means of electronic, magnetic or biometric storage media, in particular for commercial use in casinos and gaming arcades, with or without a prize payout; Electronic games; Electronic game entertainment apparatus and parts thereof; Video output game machines; Drawing apparatus for prize games and lotteries, draws or raffles; Housings of metal, plastic and/or wood for coin-operated

relating to downloadable games via the internet, computers and wireless devices. <u>Class 28</u> Gaming machines, in particular for casinos and games of chance; electronic game apparatus for use online or offline.	automatic machines; Apparatus for games (including video games), other than adapted for use with external screens or monitors only; Electropneumatic and electric slot machines with pulling handles (gaming machines); Gaming tables, in particular for table football, billiards, sliding games; Flying discs (toys) and darts; gaming machines, namely electric, electronic or electromechanical apparatus for bingo games, lotteries or video lottery games and for betting offices, connected or unconnected to a computer network; LCD games consoles; Automatic gaming machines; all the aforesaid automatic machines operating in networks; Apparatus and devices for accepting and storing money, being fittings for the aforesaid automatic machines, included in class 28; automatic lottery machines.

32. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 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."

33. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

> (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.

34. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the GC 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."

35. "Games" appears in both the opponent's specification and the applicant's specification and are, self-evidently, identical.

36. “Electronic game apparatus” in the opponent’s specification falls within the broader category of “gaming apparatus (including coin-operated apparatus)” in the applicant’s specification. These goods can, therefore, be considered identical on the principle outlined in *Meric*.

37. The following goods in the applicant’s specification are either self-evidently or *Meric* identical to “games”, “gaming machines, in particular for casinos and games of chance” and “electronic game apparatus for use online or offline” in the opponent’s specification:

> Coin-operated video gaming apparatus; Video games apparatus adapted for use with external screens or monitors only; Coin-operated automatic gaming machines and gaming machines, in particular for gaming arcades, with or without a prize payout; Electronic or electrotechnical gaming apparatus, automatic gaming machines, gaming machines, slot machines operated by coins, tokens, banknotes, tickets or by means of electronic, magnetic or biometric storage media, in particular for commercial use in casinos and amusement arcades, with or without a prize payout; Automatic gaming machines and gaming machines, in particular for commercial use in casinos and gaming arcades, with or without a prize payout; Coin-operated gaming machines and/or electronic money-based gaming apparatus (machines), with or without prizes; Electronic games; Electronic game entertainment apparatus and parts thereof; Video output game machines; Apparatus for games (including video games), other than adapted for use with external screens or monitors only; Electropneumatic and electric slot machines with pulling handles (gaming machines); gaming machines, namely electric, electronic or electromechanical apparatus for bingo games, lotteries or video lottery games and for betting offices, connected or unconnected to a computer network; LCD games consoles; Automatic gaming machines; automatic lottery machines; Gaming tables, in particular for table football, billiards, sliding games.

38. “Toys” in the applicant’s specification is similar to “games” in the opponent’s specification. They overlap in users, trade channels, nature and purpose. I consider these goods to be highly similar.

39. The term "[…] darts" in the applicant's specification is a game and, therefore, falls within the broader category of "games" in the opponent's specification. These goods can, therefore, be considered identical on the principle outlined in *Meric.* "Flying discs (toys) […]" in the applicant's specification will overlap in users, trade channels, nature and purpose with "games" in the opponent's specification. These goods are, therefore, highly similar.

40. "Casino fittings, namely roulette tables, roulette wheels" in the applicant's specification falls within the broader category of "casino games" in the opponent's specification. These goods can, therefore, be considered identical on the principle outlined in *Meric*.

41. The following goods in the applicant's specification are all goods sold to be used in conjunction with the games and casino products covered by the opponent's specification:

> Housings adapted for gaming machines, gaming apparatus and automatic gaming machines, operated by means of coins, tokens, tickets or by means of electronic, magnetic or biometric storage media, in particular for commercial use in casinos and gaming arcades, with or without a prize payout; Drawing apparatus for prize games and lotteries, draws or raffles; Housings of metal, plastic and/or wood for coin-operated automatic machines; Apparatus and devices for accepting and storing money, being fittings for the aforesaid automatic machines, included in class 28.

42. Consequently, I consider that there will be overlap in users, uses and trade channels with the opponent's goods such as "gaming machines, in particular for casinos and games of chance". I also consider that there will be a degree of complementarity between them.[4] I consider these goods to be similar to a medium degree.

[4] *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM),* Case T-325/06

The average consumer and the nature of the purchasing act

43. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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."

44. With regard to the average consumer, the opponent submits as follows:

> "18. The average consumer of the category of products concerned is deemed to be reasonably well informed and reasonably observant and circumspect. In the present case, the goods and services are directed both at the public at large and at business customers with specific professional knowledge or expertise. The public's degree of attentiveness may vary from average to high, depending on the prize, specialized nature, or terms and conditions of the goods and services purchased. Given that the general public is more prone to confusion, the examination should proceed on this basis. Therefore, taking into account the category of goods and services (games, online games, casino games, the degree of sophistication and level of attention shall be considered to low (for the public at large)."

45. I agree with the opponent that the average consumer for the goods will be either a member of the general public (who is over the age of 18 where gambling is involved) or a business user, depending on the particular goods. I am not entirely clear as to the

opponent's position regarding the level of attention paid; the opponent seems to suggest that it will be between average and high but goes on to conclude that it will be low for the public at large. In any event, I consider that the cost of the goods will vary significantly (from toys, which may be of low cost to machines for casinos, which will be of higher cost). However, various factors will be taken into consideration during the purchasing process such as suitability for age (in the case of toys) and style of gameplay (in the case of casino and electronic games). Generally, the level of attention paid during the purchasing process will be medium. I recognise that a slightly higher degree of attention is likely to be paid by businesses looking to purchase such goods for use in their own establishments.

46. The goods are likely to be selected from the shelves of a retail outlet, from specialist suppliers or online equivalents. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount that an aural component may also apply given that advice may be sought from sales assistants and orders may be placed by telephone.

Comparison of trade marks

47. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade 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."

48. 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.

49. The respective trade marks are shown below:

Opponent's trade marks	Applicant's trade mark
 ("the First Earlier Mark")  ("the Second Earlier Mark")	Mystique

Overall Impression

50. The First Earlier Mark consists of the words MYSTIC PYRAMID, presented in highly stylised fonts. The word MYSTIC is presented in a gradient colour pattern and outlined in yellow, whilst the word PYRAMID is presented in yellow, with the letter 'A' replaced by the device of a pyramid. These elements are presented on a dark blue background with a light appearing to shine from its centre or from the top of the pyramid. The overall impression of the mark lies in the combination of these elements, with the wording playing a greater role.

51. The Second Earlier Mark consists of the words MYSTIC CHARM, presented in a stylised black font and outlined in white. The word MYSTIC is slightly larger than the word CHARM. There appear to be white strands emanating from the wording. These elements are presented on a black background, which has a pink light appearing to shine from its centre. The overall impression of the mark lies in the combination of these elements, with the wording playing a greater role.

52. The applicant's mark consists of the word MYSTIQUE. There are no other elements to contribute to the overall impression which lies in the word itself.

Visual Comparison

53. The opponent submits that "the signs differ from the Applicant Mark only in the additional words 'Charm' and 'Pyramid'". However, this is clearly not the only visual difference between the marks.

The First Earlier Mark and the Applicant's Mark

54. In my view, the only overlap between the marks is the common letters MYSTI- in each mark. The wording itself differs in the ending -QUE in the applicant's mark and the -C in the opponent's mark, plus the additional word PYRAMID in the opponent's mark. Further, there is a great deal of stylisation in the opponent's mark that is absent from the applicant's mark. I recognise that registration of a word only mark, registered in black and white, covers use of that mark in different fonts and colours. The applicant's mark should, therefore, be considered on that basis. However, it is not, of course, appropriate to apply complex colour arrangements to a mark registered in black and white. The various colours used in the opponent's mark are, therefore, a point of visual difference. Further, the pyramid device used in place of the letter 'A' in the opponent's mark is another point of visual difference. Overall, I consider the marks to be visually similar to a very low degree.

The Second Earlier Mark and the Applicant's Mark

55. Again, the only overlap is the common letters MYSTI-. The ending of the words MYSTIQUE and MYSTIC will be a point of visual difference, as will the addition of the word CHARM in the opponent's mark. The font used in the opponent's mark is not particularly unusual and is presented in black (albeit outlined in white). The strands emanating from the words are a point of visual difference, as is the pink light that appears to be shining in the background. Overall, I consider the marks to be visually similar to a low degree.

Aural Comparison

The First Earlier Mark and the Applicant's Mark

56. The opponent submits that both the words MYSTIC and MYSTIQUE will be pronounced identically i.e. MISTIK. However, in my view, the First Earlier Mark will be pronounced MISS-TICK-PIRA-MIDD. The applicant's mark will be pronounced MISS-TEEK. There is, therefore, only one syllable that will be pronounced the same, albeit there is some similarity in the pronunciation of the second syllable in each mark. I consider the marks to be aurally similar to a low degree.

The Second Earlier Mark and the Applicant's Mark

57. The Second Earlier Mark will be pronounced MISS-TICK-CHARM. The applicant's mark will be pronounced MISS-TEEK. The first syllable will, therefore, be the same in both marks. There is also some similarity in the pronunciation of the second syllable. I consider the marks to be aurally similar to low to medium degree.

Conceptual Comparison

58. I note that in its submissions, the opponent has made reference to the French meaning of the applicant's mark. That is, the word MYSTIQUE is the French translation of the English word MYSTIC. It is important to bear in mind that it is the understanding of the UK average consumer that is relevant to my assessment.

59. The Collins English Dictionary defines MYSTIC as “a person who practises or believes in religious mysticism” or, when used as an adjective, something that has “spiritual powers and influences that most people do not understand”.[5]

60. The Collins English Dictionary states that the word MYSTIQUE describes someone or something who is “thought to be special and people do not know much about”.[6]

61. There is, therefore, overlap in the meaning conveyed by these words. They both have connotations of ‘the unknown’ or mysterious. I do not consider that the average UK consumer would consider MYSTIQUE to be the French translation of the word MYSTIC, as it has a different (albeit related) meaning in its own right in the English language. In any event, in the opponent’s marks, the word MYSTIC qualifies the words CHARM and PYRAMID. That is, it is the CHARM and PYRAMID that are mystical. In the applicant’s mark the word MYSTIQUE, on its own, creates a much more ambiguous concept. In my view, when taken as a whole, the marks do not share more than a low to medium degree of conceptual similarity.

Distinctive character of the earlier trade marks

62. 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-

[5] https://www.collinsdictionary.com/dictionary/english/mystic
[6] https://www.collinsdictionary.com/dictionary/english/mystique

108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR 1-2779, 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)."

63. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words with no allusive qualities. A trade mark's distinctive character may be enhanced by virtue of the use that has been made of it.

64. The opponent has not pleaded that either of its marks have acquired enhanced distinctiveness through use. In any event, the evidence filed is insufficient to justify such a claim. I have, therefore, only the inherent position to consider. The words MYSTIC CHARM and MYSTIC PYRAMID are ordinary dictionary words and are neither allusive nor descriptive of the goods. I, therefore, consider these words to be inherently distinctive to a medium degree. I recognise that the distinctiveness of the marks is enhanced by the stylisation and use of colour in the marks to a higher than medium degree.

Likelihood of confusion

65. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that

exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where 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 services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to 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 that he has retained in his mind.

66. In *L.A. Sugar Limited v By Back Beat Inc,* Case BL-O/375/10 direct and indirect confusion were described in the following terms by Iain Purvis Q.C., sitting as the Appointed Person:

> "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."

67. I have found the First Earlier Mark and the applicant's mark to be visually similar to a very low degree, aurally similar to a low degree and conceptually similar to a low to medium degree. I have found the Second Earlier Mark and the applicant's mark to be visually similar to a low degree and aurally and conceptually similar to a low to

medium degree. I have found the average consumer to be a member of the general public or a business user who will select the goods primarily by visual means (although I do not discount an aural component). I have concluded that a medium degree of attention will be paid during the purchasing process, however, I recognise that business users purchasing the goods for their own establishments may pay a slightly higher degree of attention. I have found the earlier marks to be distinctive to a higher than medium degree. I have found the goods to vary from identical to similar to a medium degree.

68. Taking all of the above factors into account, particularly the visual, aural and conceptual differences between the marks, I do not consider that the average consumer will mistakenly recall or misremember one for the other. I consider that the differences between the marks are sufficient to offset the earlier marks' higher than medium degree of distinctiveness. I do not consider there to be a likelihood of direct confusion.

69. Having recognised the differences between the marks, I do not consider that the average consumer will conclude that they originate from the same or economically linked undertakings. Neither would be a logical brand extension or variant of the other. Even to the extent that there is similarity between the words MYSTIC and MYSTIQUE, the word MYSTIC plays a qualifying role in the opponent's marks and does not have a distinctive significance that is independent of the whole.[7] Taking all of the above factors into account, I do not consider there to be a likelihood of indirect confusion.

CONCLUSION

70. The opposition is unsuccessful in its entirety and the application can proceed to registration.

[7] *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch)

COSTS

71. As the applicant has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£900** as a contribution towards the costs of the proceedings. This sum is calculated as follows:

Preparing a counterstatement and considering the notice of opposition	£250
Considering the opponent's evidence and preparing written submissions	£650
Total	**£900**

72. I therefore order GAMING1 SPRL to pay adp Gauselmann GmbH the sum of £900. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 9th day of December 2019

S WILSON
For the Registrar