

O/188/20

TRADE MARKS ACT 1994

IN THE MATTER OF THE INTERNATIONAL REGISTRATION NO.

WO0000001368721

DESIGNATING THE UNITED KINGDOM

IN THE NAME OF AERO PAYMENTS, LLC:

AEROPAY

IN CLASS 9

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 600000837 BY

LUFTHANSA TECHNIK AG

BACKGROUND AND PLEADINGS

1. International trade mark 1368721 (“the IR”) consists of the following sign:

AEROPAY

2. The holder is Aero Payments, LLC (“the holder”). The IR was registered on 10 August 2017. With effect from the same date, the holder designated the UK as a territory in which it seeks to protect the IR under the terms of the Protocol to the Madrid Agreement. The holder seeks protection for the mark in relation to the following goods:

Class 9 Computer application software for mobile phones, portable media players, tablet computers, handheld computers and other handheld wireless devices, namely, software that facilitates consumer-based point of purchase allowing consumers to execute a transaction from anywhere within the purchase radius of a location, streamlines the check-out process in a cloud-based solution and securely manages and efficiently routes the transaction to corresponding systems such as inventory management and electronic payments and/or processing of electronic payments.

3. The request to protect the IR was published on 12 January 2018. On 9 April 2018, the IR was opposed by Lufthansa Technik AG (“the opponent”) by way of the Fast Track opposition procedure. The opposition is based upon sections 5(1) and 5(2)(a) of the Trade Marks Act 1994 (“the Act”).
4. The opponent relies on EUTM no. 16259616 for the trade mark **Aeropay**. The opponent’s mark was filed on 17 January 2017 and registered on 16 May 2017. The opponent relies upon all of the goods and services for which the earlier mark is registered, as set out in paragraph **18** below.
5. Under section 5(1) of the Act, the opponent claims that the parties’ respective marks are identical, and the goods and services are identical. The opponent also claims that under section 5(2)(a) of the Act, the parties’ respective marks are identical, and the goods and services are similar and therefore there is a likelihood of confusion.

6. The holder filed a counterstatement denying the goods and services of the IR are identical or similar to the goods and services covered by the earlier mark and put the opponent to proof on this point. The holder also denies that there is a likelihood of confusion on the part of the average consumer.
7. Rule 6 of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Mark Rules 2008, but provides that Rule 20(4) shall continue to apply. Rule 20(4) states that:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”
8. The net effect of these changes is to require the parties to seek leave in order to file evidence in fast track oppositions. No leave was sought in respect of these proceedings.
9. The holder is represented by HGF Limited and the opponent is represented by Urquhart-Dykes & Lord LLP. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost; otherwise, written arguments will be taken. A hearing was neither requested nor considered necessary; only the opponent filed written submissions in lieu. I have taken these into consideration and will refer to them below where necessary. This decision is taken following a careful perusal of the papers.

DECISION

10. Section 5(1) of the Act reads as follows:

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

11. Section 5(2)(a) of the Act reads as follows:

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

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

(b) ...

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

12. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“(6)(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

13. The earlier mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions.

Section 5(1)

Identity of the marks

14. It is a pre-requisite of section 5(1) of the Act that the trade marks are identical. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union (“CJEU”) held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

15. Additionally, Mr Iain Purvis QC, sitting as the Appointed Person in *Groupement Des Cartes Bancaires v China Construction Bank Corporation*, Case BL O/281/14 stated that:

“21... It is well established that a ‘word mark’ protects the word itself, not simply the word presented in the particular font or capitalization which appears in the Register of Trade Marks [...] A word may therefore be presented in a different way (for example a different font, capitals as opposed to small letters, or handwriting as opposed to print) from that which appears in the Register whilst remaining ‘identical’ to the registered mark.”

16. While the marks are presented in a different way, the only difference is the font and capitalisation of the word in the IR. Consequently, the IR remains identical to the earlier mark and therefore, the objection under section 5(1) of the Act may proceed.

17. The second obstacle for the objection under section 5(1) of the Act is that the goods of the IR must be identical to the goods and services of the earlier mark.

Comparison of goods and services

18. The competing goods and services are as follows:

| The opponent's good and services | The holder's goods and services |
|--|--|
| <p data-bbox="204 333 783 371"><u>Class 9</u></p> <p data-bbox="204 416 783 1379">Data processing apparatus; Computers; Software; Computer hardware; Recorded computer programs, in particular for invoice and payment management, and for travel planning and travel cost management; Software for electronic commerce, for home banking, for card statement systems and for enabling browsing on global computer networks; Network communication apparatus; Communications servers; Computer software for database management; Card reading equipment; Apparatus for recording, transmission or reproduction of sound, data and images; All of the aforesaid goods being in particular for on-board sales on commercial aircraft.</p> <p data-bbox="204 1424 336 1462"><u>Class 35</u></p> <p data-bbox="204 1507 783 1984">Invoice management for electronic payment services; Professional business and organisational design of electronic information, payment and purchasing systems; Negotiation and conclusion of commercial transactions for third parties; Provision of commercial and business contact information; Electronic commerce provider services on the</p> | <p data-bbox="810 333 911 371"><u>Class 9</u></p> <p data-bbox="810 416 1390 1267">Computer application software for mobile phones, portable media players, tablet computers, handheld computers and other handheld wireless devices, namely, software that facilitates consumer-based point of purchase allowing consumers to execute a transaction from anywhere within the purchase radius of a location, streamlines the check-out process in a cloud-based solution and securely manages and efficiently routes the transaction to corresponding systems such as inventory management and electronic payments and/or processing of electronic payments.</p> |

Internet, namely order placement, delivery and invoice management within the framework of e-commerce, and arranging of contracts for others for the purchase and sale of goods; Demonstration of goods; Business appraisal; Commercial intermediation services; Provision of an on-line marketplace for buyers and sellers of goods and services; Arranging of contracts, for others, for the selling of goods and billing thereof by means of online shopping on computer networks and/or other distribution channels; Implementation and preparation of invoices, for others, including via the internet; Accountancy services; Services relating to book-keeping and business administration for monitoring and conducting claims management; All the aforesaid services including online and via a database; All the aforesaid services in particular for on-board sales on commercial aircraft.

Class 36

Financial affairs; Monetary affairs; Electronic transfer of funds; Electronic payment services; Financial services relating to credit cards; Issuance of credit cards; Issuing electronic payment cards in connection with bonus and reward schemes; Financial services for running

credit, service and bonus card programmes; Automated payment services; Organisational payment processing through the operation of payment gateways and Internet-capable payment systems; Processing of cashless payment transactions; Payment processing (included in class 36); Debt collection; Conducting of cashless payment transactions, in particular via mobile terminals; Financial services provided over the telephone and by means of a global computer network or the internet; Cash disbursement services; Authorising electronic financial transactions; Providing financial information; Providing of online financial information; Computer-aided authorisation and authentication within the framework of electronic payment systems; Electronic payment processing; Domestic and international transmission of money; Issuance and processing of electronic money; All the aforesaid services in particular for on-board sales on commercial aircraft.

Class 38

Telecommunications; Electronic transmission of information, in particular financial and business information; Computer aided transmission of

| | |
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| messages, information and images; Electronic transmission of e-commerce transaction data and information; Electronic transmission of advertising programs and media advertising communications via digital communications networks; Provision of on-line forums; Forums [chat rooms] for social networking; Forums for social networking; Data transmission for dialogue and communication with other computer users; Electronic transmission of mail and messages; Providing telecommunications connections to a global computer network; Providing access to databases in computer networks; Telecommunications, in particular providing of applications for payment transactions, including for mobile terminals; All the aforesaid services in particular for on-board sales on commercial aircraft. | |
|--|--|

19. When making the comparison, all relevant factors relating to the goods and services 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.”

20. 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.

21. The General Court (“GC”) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods or services are not worded identically, they can still be considered identical if one term falls within the scope of another or (vice versa):

“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.”

22. In its Notice of Opposition, the opponent stated that:

“The goods in Class 9 are identical to goods in Class 9 of the earlier mark, namely “software”... There is no requirement to prove likelihood of confusion in respect of the identical mark and identical goods.”

23. In its Counterstatement, the holder denied that the goods were identical and stated that:

“The goods in class 9 of the Opponent’s Earlier Mark are software and equipment for on-board sales on commercial aircraft. The goods have different intended purpose and the method of use to the goods in the application. The goods in the application would not be used on-board commercial aircraft.”

24. The applicant is correct that the opponent’s goods should not be taken to encompass “software” without limitation. They are, of course, limited to software for use in on-board sales on a commercial aircraft. However, my assessment of the similarity or identity of the goods and services is a notional one. I am required to take into account all of the ways in which the marks could be used by reference to the goods and services for which they are applied for/registered. Whilst I recognise the limitation to the opponent’s specification, the holder’s software goods would include software enabling consumer transactions in any retail environment (even including a retail environment on an aircraft).

25. “Software for electronic commerce, [...] in particular for on-board sales on commercial aircraft” and “Software [...] in particular for on-board sales on commercial aircraft” in the opponent’s specification, therefore, fall within the meaning of the IR’s goods which facilitate e-commerce in a retail environment. These goods can, therefore, be considered identical on the principle outlined in *Meric*. If I am wrong in this finding, then the goods may overlap in use, user, method of use, nature and trade channels. They can, therefore, be considered highly similar.

26. My primary finding is that the goods of the IR are identical to the goods of the earlier mark. As the marks are also identical, the opposition based on section 5(1) of the Act is successful. In the event that I am wrong in my finding that the goods are identical, and they are only highly similar, I will now consider the opposition based upon section 5(2)(a) of the Act.

Section 5(2)(a)

27. 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.

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 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

28. As noted above, I will proceed on the basis that the parties' goods are highly similar.

The average consumer and the nature of the purchasing act

29. 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 these goods are likely to be selected by the average consumer.

30. 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 reasonable well informed and reasonable 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 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.”

31. In its written submissions, the opponent stated that:

“the relevant public would be commercial customers purchasing systems to enable transactions when selling their own goods or services. The level of attention would be medium to high.”

32. In its counterstatement, the holder stated that the average consumer would be:

“a specialist consumer. They would have a high degree of attention as the goods are highly specialised and relate to taking secure payments and routing transactions in close proximity to retail locations – a highly important consideration for any retailer or consumer and therefore the level of attention paid would be extremely high.”

33. The average consumer for the goods is likely to be a commercial user. There will be various factors taken into consideration during the selection process such as cyber-security, the reliability of the software and ease of use. For goods relating to financial transactions and management, a higher degree of attention may be paid. The purchase of the goods is likely to be infrequent and the cost will be reasonably high, depending on the particular goods in question. It is my view that the level of attention paid during the selection process of the goods and services will be medium to high.

34. The goods are likely to be obtained by visiting the seller's physical premises or their website. Visual considerations will, therefore, dominate the selection process. However, as advice may also be sought from a sales assistant and word-of-mouth recommendations will also play a part, I do not discount an aural component to the purchase. I recognise that in the case of more specialist goods, orders may be placed by telephone. Aural considerations will, therefore, have more of an impact for these goods.

Comparison of the marks

35. When considering likelihood of confusion, it is necessary to consider the comparison of the marks. I have already determined that the marks are identical and no further consideration on this point is required for the purpose of the opposition under Section 5(2)(a) of the Act.

Distinctive character of the earlier trade mark

36. 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-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).”

37. 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, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of the earlier mark can also be enhanced by virtue of the use made of it.

38. The opponent has not pleaded that its mark has acquired enhanced distinctive character and, in any event, has filed no evidence to support such a claim. Consequently, I have only the inherent position to consider. The word AEROPAY is a made-up word consisting of the words AERO and PAY. Given their ordinary dictionary meaning, the word AERO relates to air or an aircraft whereas PAY is to give someone money that is due for goods received, work done or to settle a debt. The words combined can allude to a system of payment ‘over the air’ i.e. wifi or other cellular networks, or a system of payment in relation to aeroplanes. However, I recognise that the mark as a whole remains somewhat ambiguous in its meaning. I consider the earlier mark to be inherently distinctive to between a low and medium degree.

Likelihood of confusion

39. 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 that the marks are not the same but puts the similarity that exists between the marks and goods 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 vice versa. As mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, 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. 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.

40. I have found the parties' marks to be identical. I have identified the average consumer to be a business user who will select the goods either through visual or aural means and I have concluded that the level of attention paid will be medium to high. I have found the opponent's mark to have between a low and medium degree of inherent distinctive character. I have found the parties' goods to be highly similar. Taking all of these factors into account, particularly the identical nature of the marks, and the highly similar goods, I am satisfied that there will be a likelihood of direct confusion between them i.e. the average consumer will mistake one mark for another. I consider this to be the case notwithstanding the fact that the average consumer may be paying a higher degree of attention during the purchasing process.

CONCLUSION

41. The opposition is successful, and the application is refused.

COSTS

42. The opponent has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2015. In the circumstances, I award the opponent the sum of **£400** as a contribution towards the costs of proceedings. The sum is calculated as follows:

| | |
|---|-------------|
| Filing a notice of opposition and considering the holder's counterstatement | £200 |
| Preparing written submissions in lieu | £100 |
| Official fee | £100 |
| Total | £400 |

43. I therefore order Aero Payments, LLC to pay Lufthansa Technik AG the sum of £400. 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 20th day of March 2020

A COOPER

For the Registrar