

BLO/332/20

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. 3322985
BY C3 IOT, INC.
TO REGISTER AS A TRADE MARK:**

C3 EX MACHINA

IN CLASSES 9, 35 & 42

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 414345
BY SOLUTIONS CRÉATIVES DE COLLABORATION DE COMPOSANTES C3
INC.**

BACKGROUND AND PLEADINGS

1. On 6 July 2018, C3 IOT, Inc. (“the applicant”) applied to register the trade mark **C3 EX MACHINA**, under number 3322985 (“the application”). It was accepted and published in the Trade Marks Journal on 10 August 2018 in respect of the following goods and services:

Class 9: Computer software for use in data collection, transmission, integration, visualization, analysis and storage; none of the aforesaid goods in the field of yard management and appointment and dock scheduling.

Class 35: Business consulting and information services; none of the aforesaid services in the field of yard management and appointment and dock scheduling.

Class 42: Software as a service (SAAS) services and platform as a service (PAAS) services, all of the foregoing featuring software for use in data collection, transmission, integration, visualization, analysis, and storage; none of the aforesaid services in the field of yard management and appointment and dock scheduling.

2. On 12 November 2018, SOLUTIONS CRÉATIVES DE COLLABORATION DE COMPOSANTES C3 INC. (“the opponent”) filed a notice of opposition. The opposition is brought under Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and is directed against all the goods and services of the application.¹

3. The opponent relies upon three United Kingdom trade marks (“the earlier marks”), the relevant details of which are displayed below:

¹ The opposition was originally based upon Section 5(4)(a) of the Act in addition to Section 5(2)(b). However, the opponent withdrew reliance on this particular ground in its amended Form TM7 dated 6 January 2020.

UK00003006211	UK00003006221
<p style="text-align: center;">C3</p> <p>Filing date: 16 May 2013 Registration date: 18 October 2013 Word-only mark</p>	
<p style="text-align: center;">UK00003006208</p> <p style="text-align: center;">C3 SOLUTIONS</p> <p>Filing date: 16 May 2013 Registration date: 25 October 2013 Word-only mark</p>	

4. The opponent relies upon all the goods and services for which the earlier marks are registered, namely:

Class 9: Computer software for yard management; Computer software allowing appointment and dock scheduling.

Class 35: Business analysis, business planning, business management, business implementation and business support services in the field of yard management and appointment and dock scheduling.

5. The opponent's marks are earlier marks, in accordance with Section 6 of the Act, but as they had not been registered for five years or more at the filing date of the application, they are not subject to the proof of use requirements specified within Section 6A of the Act. Accordingly, the opponent may rely upon the full range of goods and services shown above.

6. The opponent contends that the competing trade marks are visually, aurally and conceptually similar. Moreover, the opponent argues that the goods and services of the application are identical or similar to those for which the earlier marks are registered. The opponent contends that these factors will lead the average consumer to believe that the goods and services of the applicant have been produced or supplied by the opponent, an economically linked undertaking, or with its consent. Therefore, the opponent submits that there is a likelihood of confusion, including a likelihood of association.

7. The applicant filed a counterstatement denying the grounds of opposition. The applicant acknowledges that the “C3” element of its mark is incorporated within the earlier marks. However, the applicant denies that this coincidence renders the competing trade marks similar, and argues that the words “EX MACHINA” comprise the dominant element of the application. Furthermore, as a result of the limitation to the scope of the applicant’s goods and services, namely, *‘none of the aforesaid goods/services in the field of yard management and appointment and dock scheduling’*, the applicant submits that “no overlap remains” between the respective goods and services. On the basis of these factors, the applicant denies that there is a likelihood of confusion.

8. Both parties have been professionally represented throughout these proceedings; the opponent by Urquhart-Dykes & Lord LLP and the applicant by Cooley (UK) LLP.

9. Neither of the parties have filed evidence but both filed written submissions during the evidential rounds and in lieu of an oral hearing. I do not intend to summarise these submissions but will refer to them throughout this decision, as and where appropriate. Both parties were given the option of a hearing but neither asked to be heard on this matter. Therefore, this decision is taken following a careful perusal of the papers, keeping all submissions in mind.

PRELIMINARY ISSUE

10. In its written submissions, the applicant refers to the realities of the marketplace and submits that there is a “gulf between the parties’ commercial focus”. The applicant

also argues that “in the real world of the commercial marketplace, there will plainly not even be a hypothetical or remote possibility of any confusion arising at all”, stating that the respective parties “occupy different sectors and are therefore not in competition with each other”. According to the applicant, the opponent “offers dock scheduling and yard management solutions” while the applicant “intends to use its mark to create analytics and machine learning models”. This, asserts the applicant, defeats any possibility of confusion. For reasons which I will now explain, the applicant’s points about the difference in the actual goods and services offered by the parties will, as a matter of law, have no bearing on the outcome of this opposition.

11. A trade mark registration is essentially a claim to a piece of legal property (the trade mark). Every registered trade mark is entitled to legal protection against the use, or registration, of the same or similar trade marks for the same or similar goods/services if there is a likelihood of confusion. Once a trade mark has been registered for five years, Section 6A of the Act is engaged and the opponent can be required to provide evidence of use of its mark. Until that point, however, the mark is entitled to protection in respect of the full range of goods/services for which it is registered.

12. The marks relied upon by the opponent had not been registered for five years at the date on which the application was filed. Consequently, the opponent is not required to prove use for any of the goods and services for which the earlier marks are registered. The earlier trade marks are entitled to protection against a likelihood of confusion with the applicant’s mark based on the ‘notional’ use of those earlier marks for all the goods/services listed in the register.

13. The concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd* ([2004] RPC 41) like this:

"22. [...] It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a

finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place”.

14. So far as the applicant's claimed use of its applied-for mark is concerned, in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited* (Case C-533/06), the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the context of registering a new trade mark it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. As a result, even though the applicant has suggested the ways in which the mark will be used, and the goods and services for which it will be used, my assessment later in this decision must take into account only the applied-for mark – and its specification – and any potential conflict with the opponent's earlier marks. Any differences between the actual goods and services provided by the parties, or differences in their commercial focuses, are not relevant unless those differences are apparent from the applied-for and registered marks.

DECISION

Section 5(2)(b): legislation and case law

15. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because -
[...]

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

16. 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 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.

My approach

17. To my mind, given that the earlier trade mark under number 3006211 consists of the plain word “C3” with no other elements, this represents the opponent’s best case. I also note that all three earlier marks are registered in respect of identical goods and services. Accordingly, I will begin by considering the merits of the opposition based upon the 3006211 mark (hereafter “the opponent’s mark”).

Comparison of goods and services

18. In the judgment of the CJEU 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”.

19. 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.

20. Moreover, in *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU

in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

21. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

"In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase."

22. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court ("GC") stated that "complementary" means:

"...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking".

23. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of

examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL O/255/13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

24. Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

25. The goods and services to be compared are:

Opponent’s goods and services	Applicant’s goods and services
<p>Class 9: Computer software for yard management; Computer software allowing appointment and dock scheduling.</p>	<p>Class 9: Computer software for use in data collection, transmission, integration, visualization, analysis and storage; none of the aforesaid goods in the field of yard management and appointment and dock scheduling.</p>
<p>Class 35: Business analysis, business planning, business management, business implementation and business support services in the field of yard management and appointment and dock scheduling.</p>	<p>Class 35: Business consulting and information services; none of the aforesaid services in the field of yard management and appointment and dock scheduling.</p>

	<p>Class 42: Software as a service (SAAS) services and platform as a service (PAAS) services, all of the foregoing featuring software for use in data collection, transmission, integration, visualization, analysis, and storage; none of the aforesaid services in the field of yard management and appointment and dock scheduling.</p>
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26. The opponent has contended that the respective goods and services are identical or similar. Moreover, the opponent has argued that the limitation applied to the applicant's goods and services, namely, '*none of the aforesaid goods/services in the field of yard management and appointment and dock scheduling*', does not "go far enough to take account of the scope of the protection afforded" by the earlier marks. In this regard, the opponent has submitted that such a limitation entirely negating a likelihood of confusion would be too simplistic an approach and that similarity between the respective goods and services still ought to be found.

27. Conversely, the applicant has argued that, as a result of the limitation applied to each of its classes, no overlap remains between the goods and services of the application and those of the earlier marks. The applicant has contended that the limitation distinguishes the goods and services of the competing trade marks as those of the opponent are narrow and precise, while the same goods and services are specifically excluded by the applicant. Therefore, the applicant has submitted that the respective goods and services ought to be found dissimilar.

28. Although the applicant has limited the scope of goods and services for which it seeks registration of its mark, the applicant has simply excluded the exact fields of application of the goods and services specified by the opponent, namely, yard management, and appointment and dock scheduling. The exclusion included by the applicant is narrow and merely renounces its claim to those precise fields of application. While I consider the limitation sufficient to avoid a finding of identity between the respective goods and services, it does not automatically result in them

being entirely dissimilar. Given that the applicant has neither included a positive limitation to the scope of its specifications nor excluded a more general category to which the opponent's goods and services would belong, there remains the possibility that the respective goods and services are similar. The applicant has not accounted for goods and services which, while not identical, could still be considered similar to those of the earlier marks. For this reason, I do not accept the applicant's argument that there is no overlap between the respective goods and services and will proceed to conduct a full comparison, albeit from the starting point that the respective goods and services are not identical.

Class 9

29. As outlined above, while the applicant's specification excludes the specific area of use of the goods detailed in the earlier marks, as it is a negative limitation the goods applied for will still encompass all other computer software for data collection, transmission, integration, visualization, analysis and storage, including for use in fields which are similar to those outlined in the specification of the earlier marks. Yard management, for example, is a process by which an organisation directs, inter alia, inbound and outbound vehicles, personnel, shipments and pallets in its yard to the dock. Other fields of similar activity which are not necessarily encompassed by yard management exist, including but not limited to logistics and freight. The applicant's specification could reasonably include computer software for use in data collection, transmission, integration, visualization, analysis and storage, in the field of logistics. The same considerations would also apply in relation to appointment and dock scheduling. Although the intended purpose of the computer software may vary based upon the field of activity in which it will be used, it is considered that the nature and method of use of the respective goods will be the same. I accept that there may be instances where the respective users and uses of the goods are different, though there will also be instances where there is an element of crossover. Moreover, the way in which the respective goods reach the market are likely to be through the same trade channels. I do not consider the respective goods to be complementary in the sense outlined in case law, though there is an element of competition; where there is a shared or similar purpose, prospective consumers of the applicant's goods may select the

opponent's goods instead, and vice versa. In light of the above factors, I consider the respective goods to be similar to a medium to high degree.

Class 35

30. Although the applicant's class 35 specification also excludes the specific area of use of the business services detailed in the earlier marks, as it is a negative limitation the services applied for will still encompass all other business consulting and information services, including for use in fields which are similar to those outlined in the specification of the earlier marks. Following the example used above, the applicant's specification could reasonably include business information services in the field of logistics. Again, the same considerations would apply in relation to appointment and dock scheduling. Although the intended purpose of the business information may vary based upon the field of activity for which it will be used, it is considered that the nature and method of use of the respective services will be the same. There may be instances where the respective users and uses of the services differ. However, there will also be instances where there is an element of crossover. Moreover, the way in which the respective services reach the market are likely to be through the same trade channels. In my view, the respective services are not complementary but there is an element of competition; where there is a shared or similar purpose, prospective consumers of the applicant's services may select the opponent's services instead, and vice versa. Considering the above factors, I find that the respective services are similar to a medium to high degree.

Class 42

31. The applicant's class 42 services are also restricted to exclude the specific area of use of the goods and services of the earlier marks. However, as it is a negative limitation, the services of the application will still encompass those to be applied to fields which are similar to those outlined in the specification of the earlier marks. For example, the applicant's SAAS services could reasonably include those provided in relation to logistics. As is the case with classes 9 and 35, the same considerations can be applied to appointment and dock scheduling. The applicant's services involve hosting software applications and making them available over the Internet, being

closely related to on demand computing software delivery models. Therefore, while the nature of these services will be different, they share a closeness with the goods contained in class 9 of the earlier marks. There will be a degree of complementarity with the opponent's computer software as the average consumer may assume that responsibility for the goods and services lies with the same undertaking. They are also in competition to a certain extent: users could choose to purchase the software itself or seek to use it via a host when they need to do so. Where there is a crossover in the field of application, the end-users of the goods and services will be the same. In my view, based upon the above factors, there is a medium degree of similarity between the applicant's class 42 services and the opponent's class 9 goods.

The average consumer and the nature of the purchasing act

32. 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.

33. 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.”

34. Due to the nature and purpose of the goods and services at issue, I consider the average consumers of such goods and services to be business users. To my mind, while the goods and services are available to the general public, the overwhelming

majority of consumers are likely to be members of the business community. There is potential for the goods and services in classes 9, 35 and 42 to be purchased relatively frequently and, on the whole, the cost of such goods and services will typically require an above average outlay. The act of purchasing these goods and services is not merely casual but is likely to follow a measured thought process. Purchasing of the goods in class 9 and services in class 42 would be a relatively important choice for consumers of the business community, to ensure they acquire computer software, or access to software and platforms, which are most suitable and reflect their required specifications. Moreover, selection of business services in class 35 would also be a relatively important choice as business users would want to ensure that the services they purchase will be provided professionally and are appropriate to their particular business needs. In my view, the purchasing process across the goods and services at issue would be predominantly visual in nature; they are likely to be purchased after viewing information on the internet, in business prospectuses or brochures. However, I cannot totally discount aural considerations, as it is possible that the purchasing act of these kinds of goods and services will incorporate verbal consultations or word of mouth recommendations. In light of the above, I consider that the attention level of the average consumer of these goods and services would be higher than average.

Comparison of trade marks

35. 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.”

36. 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.

37. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade mark
C3	C3 EX MACHINA

38. The opponent has submitted that the contested trade mark is visually and aurally similar to the earlier marks. The opponent has highlighted that the competing trade marks coincide in the element “C3”, which appears at the beginning of the applied for mark. This, according to the opponent, is the distinctive element of both marks. The opponent has denied that the dominant element of the contested mark is “EX MACHINA” and has, instead, contended that this element would be seen as an allusive reference to the goods and services at issue, owing to the science fiction motion picture of the same name. Furthermore, the opponent has argued that the competing marks are conceptually similar, though has also submitted that no conceptual comparison is possible due to the opponent's mark lacking a meaning.

39. Conversely, the applicant has denied that the marks are similar, despite the “C3” element of its mark being incorporated into the earlier marks. When considering the marks as wholes, the applicant has submitted that the differences between the marks allow them “to be easily distinguished”. In this regard, the applicant has highlighted that the common element “C3” only comprises a small part of the contested mark and has contended that the average consumer would recall the “EX MACHINA” element, being the “larger and therefore dominant element”. This element, the applicant has

argued, “affords the marks a visual and aural dissimilarity”. The applicant has also argued that a conceptual comparison between the competing trade marks is not possible.

40. The opponent’s mark is a plain word consisting of the conjoined letter and numeral “C3”. As this is the only element of the mark, it dominates the overall impression entirely.

41. The applicant’s mark consists of the words “C3 EX MACHINA” in word-only format. In my view, the respective elements, namely “C3” and “EX MACHINA”, do not combine to form a unitary phrase. Instead, these elements will retain their independent distinctive character and identities. The “C3” element is comprised of a letter from the English language combined with a basic numeral. The resultant combination has no obvious meaning relevant to the goods and services at issue. Nevertheless, consumers will be familiar with the letter and number. In my view, the “C3” element has a degree more impact, is slightly more dominant and provides an increased contribution to the overall impression of the mark. While the second element “EX MACHINA” is not entirely non-distinctive and is longer in length than the “C3” element, it will play a slightly reduced role in the overall impression of the mark. The primary reasons for this are twofold: the element is comprised of Latin words, with which the average consumer is not conversant, and, due to what the words will superficially represent to consumers, this element will likely be perceived as an allusive reference to the goods and services at issue. When met with Latin words which, without a deeper understanding, are suggestive of the goods and services, consumers will focus on the “C3” element as providing a clearer brand origin message. This is greatly assisted by the fact that the “C3” element appears at the beginning of the mark; it has been established that, as a result of reading from left to right, the attention of the average consumer in the UK is usually directed towards the beginning of the mark. This adds another layer to the dominance of the “C3” element within the overall impression of the applicant’s mark.

42. Visually, the competing trade marks are similar because they share the same letter and numeral “C-3”, in the same order. This element comprises the entirety of the opponent’s mark and is reproduced, in full and with no alteration, at the beginning of

the applicant's mark. As outlined above, this element is the dominant element of both marks, albeit to different degrees. The marks are visually different insofar as this element in the applicant's mark is followed by the words "EX MACHINA", which are not replicated in the opponent's mark. This renders the applicant's mark much longer in length than the opponent's mark. Nevertheless, the element creating the visual difference between the competing marks plays a slightly reduced role in the applicant's mark. Bearing in mind my assessment of the overall impressions, I consider the marks to be visually similar to a medium degree.

43. Aurally, the opponent's mark consists of two syllables, i.e. ("SEE-THREE"), while the applicant's mark comprises a two-syllable element followed by a one syllable word and a three-syllable word, i.e. ("SEE-THREE-ECKS-MA-KI-NA" or "SEE-THREE-ECKS-MA-SHEE-NA"). The first two syllables of the competing marks are indistinguishable in the way in which they will be articulated. The subsequent four syllables in the applicant's mark have no counterpart in the opponent's mark, despite how they will be pronounced. Taking into account the overall impressions, I consider that the marks are aurally similar to a medium degree.

44. Conceptually, the combination of the letter and numeral in the opponent's mark does not have any clear and obvious meaning which could be understood by the average consumer. Therefore, the opponent's mark is conceptually neutral. The applicant's mark begins with the same element, absent of any conceptual meaning. However, the applicant's mark also includes the words "EX MACHINA". The opponent has argued that this would be perceived by the average consumer as a direct reference to the science fiction film of the same name. When used in relation to the contested goods and services, the opponent has asserted that this element is an allusive reference to artificial intelligence. Although I appreciate that the motion picture received a number of accolades and was, indeed, based around the concept of artificial intelligence, the opponent has not provided any evidence to demonstrate that a significant number of relevant consumers would perceive this element of the contested mark in the manner it has suggested. These words form part of a Latin phrase 'deus ex machina', meaning 'god from the machine' in English.² While the

² https://www.lexico.com/definition/deus_ex_machina

words do have a meaning, I am unconvinced that the average UK consumer of the goods and services at issue would understand the words in the mark to mean ‘from the machine’. Given that Latin has ceased to be a commonly used language in the UK, I consider it highly unlikely. It is possible that some consumers would have an indication that it is representative of Latin in a general sense. Failing this, consumers would perceive the words as an invented term. While the average consumer may not readily understand the meaning of the words “EX MACHINA”, I feel that it is loosely evocative of the English word ‘machine’. In *Usinor SA v OHIM*, Case T-189/05, the GC found that:

“62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51, and Case T-256/04 *Mundipharma v OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57).

63. In the present case, the Board of Appeal correctly found that the signs at issue have a common prefix, ‘galva’, which evokes the technique of galvanisation, that is, the act of fixing an electrolytic layer to a metal to protect it from oxidation.

64. By contrast, the Board of Appeal incorrectly took the view that a conceptual comparison of the second part of the signs was not possible, because the suffixes ‘llia’ and ‘lloy’ were meaningless.

65. That conclusion is based on an artificial division of the signs at issue, which fails to have regard to the overall perception of those signs. As stated in paragraph 59 above, the relevant public, which is French-speaking but has knowledge of the English language, will recognise in the mark applied for the presence of the English word ‘alloy’, corresponding to ‘alliage’ in French, even

if the first letter of that word ('a') has merged with the last letter of the prefix 'galva', according to the usual process of haplology. That mark will therefore be perceived as referring to the concepts of galvanisation and alloy.

66. As far as the earlier mark is concerned, the suffix 'allia' is combined with the prefix 'galva' in the same way. The evocative force of the suffix 'allia' will enable the relevant public – on account of its knowledge and experience – to understand that that is a reference to the word 'alliage'. That process of identification is facilitated still further by the association of the idea of 'alliage' (alloy) with that of galvanisation, the suffix 'allia' being attached to the prefix 'galva'.

67. By breaking down the signs at issue, the relevant public will therefore interpret both signs as referring to the concepts of galvanisation and alloy.

68. Consequently, the conclusion to be drawn is, as the applicant correctly maintains, that the signs at issue are conceptually very similar, inasmuch as they both evoke the idea of galvanisation and of an alloy of metals, although that idea is conveyed more directly by the mark applied for than by the earlier mark”.

45. For this reason, I am of the opinion that the words “EX MACHINA” will create a casual association with machines in the mind of the consumer. When applied to the goods and services at issue, I find that the average consumer will perceive the words to be alluding to the technological nature of them, albeit in a vague and indirect manner. This, in my view, is not a consequence of the motion picture, but because consumers will look for meaning in words which do not offer one readily (in this case, the word 'machine' in the words “EX MACHINA”). In light of the above, the words introduce a new conceptual aspect which is not replicated in the opponent's mark. On this basis, and in consideration of my assessment of the overall impressions, I consider the marks somewhat conceptually dissimilar.

Distinctive character of the opponent's mark

46. 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).”

47. 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.”

48. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out.

49. The opponent has submitted that its mark has “a normal level of inherent distinctiveness in relation to the goods and services for which they are registered” and has highlighted that the mark has no descriptive qualities. I have no submissions from the applicant regarding the distinctiveness of the opponent’s mark.

50. The registration process for the opponent’s mark was not completed more than five years before the filing date of the application and, as such, the opponent has not been required to provide proof of use. The opponent has not filed evidence in this matter and, therefore, has not demonstrated that its mark enjoys an enhanced level of distinctive character. Consequently, I have only the inherent position to consider.

51. Registered trade marks possess varying degrees of inherent distinctive character. These range from the very low, such as those which are suggestive or allusive of the goods or services, to those with high inherent distinctive character, such as invented words. Dictionary words which do not allude to the goods or services will be somewhere in the middle.

52. The opponent’s mark consists of the letter “C” and the numeral “3” in word-only format. The letter is the third of the English alphabet while the numeral is a mathematical unit. Both are conjoined in the opponent’s mark and there are no other

elements. The distinctiveness of the opponent's mark rests with the letter and numeral in combination. Together, they dominate the overall impression of the mark. The term "C3" is neither descriptive nor allusive of the goods and services at issue, though it is comprised of a common letter from the English alphabet and a common mathematical unit. I consider that the opponent's mark has an average level of inherent distinctive character.

Likelihood of confusion

53. 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 I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier trade mark, the average consumer for the services 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 they have retained in their mind.

54. 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 or services down to the responsible undertakings being the same or related.

55. In *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the GC noted that the beginnings of word tend to have more visual and aural impact than the ends. The court stated:

"81. It is clear that visually the similarities between the word marks MUNDICOLOR and the mark applied for, MUNDICOR, are very pronounced. As was pointed out by the Board of Appeal, the only visual difference between the signs is in the additional letters 'lo' which characterise the earlier marks and

which are, however, preceded in those marks by six letters placed in the same position as in the mark MUNDICOR and followed by the letter 'r', which is also the final letter of the mark applied for. Given that, as the Opposition Division and the Board of Appeal rightly held, the consumer normally attaches more importance to the first part of words, the presence of the same root 'mundico' in the opposing signs gives rise to a strong visual similarity, which is, moreover, reinforced by the presence of the letter 'r' at the end of the two signs. Given those similarities, the applicant's argument based on the difference in length of the opposing signs is insufficient to dispel the existence of a strong visual similarity.

82. As regards aural characteristics, it should be noted first that all eight letters of the mark MUNDICOR are included in the MUNDICOLOR marks.

83. Second, the first two syllables of the opposing signs forming the prefix 'mundi' are the same. In that respect, it should again be emphasised that the attention of the consumer is usually directed to the beginning of the word. Those features make the sound very similar.

56. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

"18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the

average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

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

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

57. 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).”

58. Earlier in this decision I concluded that:

- The goods in class 9 and services in class 35 of the application are similar to those in the corresponding classes of the opponent’s mark to a medium to high degree;
- The services in class 42 of the application are similar to the goods in class 9 of the opponent’s mark to a medium degree;

- Average consumers of the goods and services at issue are members of the business community, whom would demonstrate a higher than average level of attention during the purchasing act;
- The purchasing process for the contested goods and services would predominantly be visual in nature, though I have not discounted aural considerations;
- The overall impression of the opponent's mark would be dominated by the term "C3", being the only element of the mark;
- The term "C3" would provide a slightly larger contribution to the overall impression conveyed to consumers by the contested mark, while the words "EX MACHINA" would play a somewhat reduced role;
- The competing trade marks are visually and aurally similar to a medium degree, while there exists a low degree of conceptual dissimilarity between the marks;
- The opponent's mark possesses an average level of inherent distinctive character.

59. Although the competing marks share the common element "C3", there are differences between the marks which, to my mind, would not be overlooked by the average consumer during the purchasing process. I accept that "C3", being the sole element of the opponent's mark, is replicated without alteration within the application. Moreover, I appreciate that this element dominates the competing trade marks, albeit to different degrees. However, the application also contains the words "EX MACHINA". The words have no counterpart in the opponent's mark and, although I have found them to play a lesser role in the contested mark, they do provide a contribution to the overall impression of the mark. The additional words in the application are not entirely descriptive or non-distinctive and, therefore, would not be overlooked completely by the average consumer. To the contrary, consumers would still notice the words upon inspection of the mark, especially considering that I have found the attention level of the average consumer to be higher than average. It is established that the attention of

the consumer is usually directed towards the beginnings of trade marks, and I accept that the common element “C3” appears at the beginning of the contested mark. However, the applied-for mark is greater in length than the opponent’s mark, which will serve as a point of distinction between the competing marks. Furthermore, when articulated, the majority of syllables are unique to the contested mark. The applied-for mark also possesses a concept which is not shared by the opponent’s mark. In consideration of all the aforementioned findings, it is my view that the various differences between the competing trade marks will sufficiently enable the average consumer to avoid mistaking one trade mark for the other. Accordingly, even when factoring in the imperfect recollection of the consumer, it follows that there will be no direct confusion.

60. As explained above, I believe that the average consumer will recognise that there is a difference between the marks in the words “EX MACHINA”. Nevertheless, consumers will also recognise the common element “C3”, which is moderately distinctive and retains its independent distinctive character within the context of the contested mark; this element dominates the overall impressions of both competing trade marks and also appears at the beginning of the contested mark. Whether consciously or unconsciously, this will lead the average consumer through the mental process described in case law by Mr Purvis, namely, that there is a difference between the marks, but there is also something in common. Although the words “EX MACHINA” are not entirely non-distinctive, the element does not offer a clear meaning for consumers to immediately grasp. As established in case law, it is common for consumers to look for meanings they are accustomed to when met with something with which they are unfamiliar. The element “EX MACHINA” does resemble the word ‘machine’ and, in the context of the goods and services at issue, consumers will perceive it as an allusive reference to the technological nature of them. In my view, this would be the case, even though it is unlikely that consumers would understand the exact meaning of the Latin words. Taking into account the common element in the context of the contested mark, consumers will conclude that it is another brand of the opponent’s mark. Consumers are frequently exposed to inventive brand extensions employed by organisations in order to market their goods and services, and are accustomed to them. Given that the respective goods and services of the competing marks are similar to at least a medium degree, and factoring in the interdependency

principle, the potential for consumers to perceive the contested mark as an inventive brand extension of the earlier mark is magnified. To my mind, the differences between the marks are conducive to a brand extension and I am satisfied that the average consumer would associate a commercial association between the parties, or sponsorship on the part of the opponent, due to the shared dominant element “C3”. Consequently, I consider there to be a likelihood of indirect confusion.

CONCLUSION

61. The opposition under Section 5(2)(b) of the Act has succeeded in its entirety. Subject to any successful appeal against my decision, the application will be refused.

COSTS

62. The opponent has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. This decision has been taken from the papers without an oral hearing. The opponent did not file evidence in these proceedings but did file written submissions during the evidential rounds and in lieu of a hearing. 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:

Preparing a statement and considering the applicant’s counterstatement	£200
Preparing written submissions	£400
Official fee	£100
Total	£700

63. I therefore order C3 IOT, Inc. to pay SOLUTIONS CRÉATIVES DE COLLABORATION DE COMPOSANTES C3 INC. the sum of **£700**. The above sum should be paid within two months of the expiry of the appeal period or, if there is an unsuccessful appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 19th day of June 2020

James Hopkins

For the Registrar,

The Comptroller General