

O/472/21

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3437059
BY COSPACE GROUP LIMITED
TO REGISTER THE FOLLOWING TRADE MARK:**



IN CLASSES 35, 36 AND 43

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 419423
BY PATHWAY IP II GMBH**

BACKGROUND AND PLEADINGS

1. On 16 October 2019, CoSpace Group Limited (“the applicant”) applied to register the trade mark displayed on the cover page of this decision.¹ The application was accepted and published in the Trade Marks Journal on 15 November 2019 in respect of the following services:

Class 35: *Business office services; administrative services; business administration assistance; providing office functions; providing assistance in the management of business activities; management of business offices for others; rental of advertising time and space; office machine rental services; company office secretarial services; telephone answering and forwarding services; office equipment and machine rental services.*

Class 36: *Rental of business premises; rental of offices; rental of office space; leasing of offices.*

Class 43: *Hire of temporary office space; provision of temporary business or work accommodation; provision of event facilities and temporary office and meeting facilities; rental of meeting rooms and desks; temporary accommodation services for meetings; office catering services.*

2. On 12 February 2020, the application was opposed by Pathway IP II SARL who, during the course of the proceedings, assigned the earlier right to Pathway IP II GmbH (“the opponent”). The opposition is based on Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and concerns all the services in the application.

3. For the purpose of its opposition based upon Section 5(2)(b) of the Act, the opponent relies upon the marks shown below:²

¹ The applicant initially applied for a series of three marks but the application was subsequently amended.

² Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

- a) International Registration (“IR”) no. WO0000001067460
 (“the UK designation of the IR ‘460’”)



International registration date: 17 August 2010; Designation date: 17 August 2010; Date of protection of the international registration in UK: 26 May 2011; Priority date: 18 May 2010.

Services relied upon:

Class 35: *Secretarial and reception (desk) services; administrative services; business management, including intermediary services for the purchase of products and services of third parties; rental of office machines and apparatus; accounting services; answering phone calls in case of absence.*

Class 36: *Rental and management of furnished (temporary) work and office spaces; rental of real estate.*

Class 43: *Catering services; services for providing food and drinks; rental of temporary accommodations; providing facilities for meetings, conferences, seminars, events and exhibitions.*

- b) IR no. WE00001222122
 (“the EU designation of the IR ‘122’”)



Registration date: 27 March 2014; Designation date: 27 March 2014; IR accepted/date of entry in register: 2 March 2020; Priority date: 06 December 2013.

Services relied upon:

Class 35: *Secretarial and reception (desk) services; administrative services; business management, including intermediary services for the purchase of products and services of third parties; rental of office machines and apparatus; accounting services; answering phone calls in case of absence of subscribers.*

Class 36: *Rental and financial management of furnished (temporary) work and office spaces; rental of real estate.*

Class 43: *Catering services; services for providing food and drinks; rental of temporary accommodations; providing facilities for meetings, conferences, seminars, events and exhibitions, other than for advertising purposes.*

4. In addition, the opponent relies on the EU designation of the IR '460, e.g. WE00001067460, which is identical to the UK designation and is relied upon in respect of the same services. The EUIPO records show that this mark has a designation date of 18 July 2012 and a registration date of 17 August 2010. I shall return to this in a moment.

5. The opponent claims that because the marks are similar and the services are identical or similar, there is a likelihood of confusion, including a likelihood of association.

6. Given their dates of filing, the opponent's marks qualify as earlier marks in accordance with Section 6 of the Act. The UK and the EU designation of the IR '460 had completed their registration procedures more than five years before the date the application was filed and are, as a consequence, subject to the proof of use provisions contained in Section 6A of the Act. As the other mark, i.e. the EU designation of the IR '122, had not been registered for five years when the application was filed, the opponent may rely upon all of the services identified without showing that the mark has been used.

7. For the purpose of its opposition based upon Section 5(3) of the Act, the opponent relies on the UK designation of the IR '460 and the EU designation of the IR '122. The

opponent claims that the marks have a reputation for *Rental and management of furnished (temporary) work and office spaces* (in class 36) and *rental of temporary accommodations and providing facilities for meetings* (in class 43). It is said that the applicant would gain an unfair advantage, free-riding on the opponent's reputation and gaining a significant economic benefit which would allow it to achieve sales under the contested mark that would not have ordinarily been made without the benefit of the opponent's reputation. It is said that use of the contested mark in relation to inferior services could diminish the reputation of the opponent. Lastly, it is asserted that the distinctive character of opponent's marks would be diminished if the applicant were to use a similar mark for identical or similar services.

8. For the purpose of its opposition based upon Section 5(4)(a) of the Act, the opponent relies upon the sign SPACES which it claims to have used throughout the UK since, at least, 2015 in relation to the same services relied upon in respect of the IR '122 under Section 5(2)(b). The opponent claims that its goodwill entitles it to prevent the use of the applicant's mark under the law of passing off.

9. The applicant filed a defence and counterstatement denying the claims made and putting the opponent to proof of use of the UK designation of the IR '460. In particular, the applicant argues that the word SPACE is descriptive of the services in relation to which the opponent claims to have acquired a reputation (which include, inter alia, *rental and management of furnished (temporary) work and office spaces*) and that there are many registered marks incorporating the word SPACE.

10. Both parties filed evidence. The opponent also filed written submissions dated 5 October 2020. I shall refer to the evidence and submissions to the extent I consider necessary.

11. In these proceedings, the opponent is represented by Haseltine Lake Kempner LLP and the applicant by Barker Brettell LLP. Neither party requested a hearing, but both parties filed submissions in lieu. This decision has been taken following a careful consideration of the papers.

12. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

The opponent's evidence

13. The opponent's evidence is in the form of a witness statement dated 5 October 2020 from Stephen Wetherall accompanied by 10 exhibits. Mr Wetherall explains that he is the Head of Legal of IWG plc (hereafter IWG), and that Pathway IP SARL³ is the owner and holder of IWG's intellectual property rights, including all the earlier rights relied upon in these proceedings.



14. Mr Wetherall requested that some of the evidence contained within his witness statement be treated as confidential. The request was refused, and the opponent did not take the opportunity of requesting a hearing to disagree with the preliminary view to refuse the confidentiality request, hence, I shall say no more about it.

15. Mr Wetherall provides a history of IWG. He states that IWG is a multinational corporation, which was founded in Belgium in 1989 and is incorporated in Jersey. It is listed on the London Stock Exchange and employs 10,000 people globally. IWG provides serviced offices, virtual offices, meeting rooms and videoconferencing to clients on a contract basis. It provides workspace to 2.5 million people in almost 3,300 locations in over 1,100 towns and cities across more than 110 countries. IWG acquired the co-working business operated by reference to the earlier marks from Dutch owners in 2015; the earlier marks are one of IWG's new brand and it is targeted at the new generation of flexible workers.

³ On 25 February 2021 it was confirmed that Pathway IP SARL assigned its earlier marks to Pathway IP II GmbH who became the opponent in these proceedings.

16. Mr Wetherall states that the business conducted by reference to the earlier marks was founded in Netherlands in 2006. The first office was opened in September 2008 in Amsterdam followed by offices in Zuidas and The Hague. He also stated that the business conducted by reference to the earlier marks is currently in the midst of an aggressive expansion: in January 2019 the opponent operated 185 locations worldwide and by the end of 2019 this was increased by 160 locations. Exhibited within Mr Wetherall's evidence are copies of webpages⁴ from the website www.spaceworks.com which is said to list the locations of co-working offices operated by reference to the earlier marks worldwide, however, the earlier marks do not feature anywhere within the webpages.



17. Mr Wetherall states that the marks  and  were first used in Netherlands in 2008 and 2012 respectively and explains that the IRs relied upon in these proceedings were obtained based on existing Benelux trade mark applications.⁵

18. Mr Wetherall provides a table setting out the first use of the earlier marks in various EU countries. The table indicates that the marks were first used in Netherlands in 2008 and 2012 and in the UK in 2015 and in other countries in 2017 (Belgium, France, Italy and Spain), 2018 (Austria, Denmark, Finland, Germany, Greece, Ireland, Luxemburg, Poland, Romania) and 2019 (Croatia, Czech Republic, Hungry, Lithuania, Portugal and Sweden).

19. Mr Wetherall also provides the following revenue figures, which are said have been generated⁶ in relation to services provided under the earlier marks:

⁴ Exhibit 1


⁵ Exhibit 2


⁶ The witness statement refers to revenue generated by the applicant but this appears to be an error

Global revenue (GBP)	
2014	6,217,654
2015	14,610,337
2016	24,332,596
2017	60,067,634
2018	180,116,329
2019	393,369,145

Sales Revenue GBP	EU (incl. UK)	UK
2014	6,157,000	-
2015	14,149,000	1,641,000
2016	20,208,000	5,161,000
2017	33,510,000	10,292,000
2018	85,156,000	37,882,000
2019	183,315,000	74,901,000


20. Mr Wetherall states that the earlier marks have been promoted by the opponent on a range of materials including external building and internal signage, brochures, press releases, marketing material, mail-outs, stationery, vehicles and billboards. He also states that the services provided by reference to the marks have been promoted at events and parties attended by brokers and tenants, although no further details are given. A selection of billboard advertisements across the UK and Ireland from 2018 is

produced. Only the mark  can be seen (with some efforts) in a couple of billboards; those which I can read show the text *“LET’S START TO REDEFINE HOW WORK IS DONE. OPENING SOON IN EDINBURGH [OR BIRMINGHAM, OR SHEFFIELD] – CALL US ON [...] OR VISIT SPACEWORK.COM [...]”*. Mr Wetherall also provides a copy of a promotional flyer⁷ for *“the SPACES office at Heathrow*

airport” which features only the mark . Mr Wetherall says that the flyer is dated from 2019, which is line with a visible date within the text *“Voucher may be used for one day coworking membership only. Valid at Spaces Heathrow Airport until 15/02/2020”*.

⁷ Exhibit 5

21. In order to demonstrate use of the earlier marks on the website, Mr Wetherall provides copies of webpages from the Wayback machine.⁸ These illustrate use of the

mark  on the website www.spaces.nl on various dates between 15 February 2012 and 14 December 2014 and then on the website www.space.com

 between 30 July 2015 and 17 July 2019. The mark  only appears on webpages dated 9 November 2019 and 16 April 2020. According to Mr Wetherall, the number of hits made on the website between 2015 and 2019 are 47,279 (2015), 43,430 (2016), 116,260 (2017), 244,221 (2018), 280,261 (2019), however, there is no indication of how many hits were made from the UK.

22. EU advertising expenditures are summarised in the following table:

Date	Advertising Expenditure (£) throughout the EU	Media (radio, television, videos, cinema, direct mail, billboard, magazines, leaflets, newspapers, placards, personal contact with customers)
2015	359,218	EVENTS, MERCHANDISE, BOOKLETS, GOOGLE, WEBSITE, AUTOMATION, PR, SOCIAL MEDIA
2016	372,396	EVENTS, MERCHANDISE, BOOKLETS, GOOGLE, WEBSITE, AUTOMATION, PR, SOCIAL MEDIA
2017	407,366	EVENTS, MERCHANDISE, BOOKLETS, GOOGLE, WEBSITE, AUTOMATION, PR, SOCIAL MEDIA
2018	596,997	EVENTS, MERCHANDISE, BOOKLETS, GOOGLE, WEBSITE, AUTOMATION, PR, SOCIAL MEDIA

23. Mr Wetherall also says that the earlier marks have been promoted through social media and that the opponent had over 50,000 followers on Facebook, 29,000 on Instagram, 6,300 on Twitter and 28,000 on LinkedIn and provides print-outs from

⁸ Exhibit 6

social media⁹ which show use of the marks



and



. All but

one of the pages¹⁰ (undated) features the mark



. A selection of online articles is also produced.¹¹

The applicant's evidence

24. The applicant's evidence consists of a witness statement dated 5 January 2021 from Alistair David Thomas, one of the applicant's Directors, accompanied by one exhibit.

25. Mr Thomas states that the term 'workspace sector' is used to describe *"the service of offering customers looking for work space more choice in terms of the uptake of spaces, the flexibility of working spaces packages and allowing landlords to be more flexible in the use of their properties"*. According to Mr Thomas the number of flexible workspaces in London centre grew by 9% in 2018.

26. Mr Thomas states that there are numerous businesses operating in the workspace industry, who use SPACE or SPACES as part of their branding and refers to other registered and unregistered marks.¹²

27. He also points out that the trade association for the flexible workspace sector is called 'The Flexible Space Association' which includes the word SPACE in its own title. He confirms that the applicant is a member of the association and that according to the association's website, as accessed on 05 January 2021, the opponent is also a member.

⁹ Exhibit 7

¹⁰ Page 67

¹¹ Exhibit 9

¹² Exhibit AD1

DECISION

Proof of use

28. When the applicant filed its Form TM8, it requested the opponent to provide proof of use only in relation to the UK designation of the IR '460. Although it appears that the EU designation of the same IR is also subject to proof of use, the applicant proceeded on the understanding that proof of use cannot be requested for that mark.¹³ I proceed on the same basis.

29. Given that the applicant did not request proof of use in relation to the EU designation (which means that the opponent can rely on that designation without proving that the mark has been used), it follows that there would be no benefit in me assessing whether the UK designation (which is identical to the EU designation) has been genuinely used during the relevant period.

Section 5(2)(b)

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

“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”.

¹³ Submissions in lieu of 16 April 2021

31. 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.

Comparison of services

32. The services to be compared are:

The applicant's services	The opponent's services
Class 35: <i>Business office services; administrative services; business administration assistance; providing office functions; providing assistance in the management of business activities; management of business offices for others; rental of advertising time and space; office machine rental services; company office secretarial services; telephone answering and forwarding</i>	UK and EU designation of IR '460 Class 35: <i>Secretarial and reception (desk) services; administrative services; business management, including intermediary services for the purchase of products and services of third parties; rental of office machines and apparatus; accounting services; answering phone calls in case of absence.</i>

<p><i>services; office equipment and machine rental services.</i></p> <p>Class 36: <i>Rental of business premises; rental of offices; rental of office space; leasing of offices.</i></p> <p>Class 43: <i>Hire of temporary office space; provision of temporary business or work accommodation; provision of event facilities and temporary office and meeting facilities; rental of meeting rooms and desks; temporary accommodation services for meetings; office catering services.</i></p>	<p>Class 36: <i>Rental and management of furnished (temporary) work and office spaces; rental of real estate.</i></p> <p>Class 43: <i>Catering services; services for providing food and drinks; rental of temporary accommodations; providing facilities for meetings, conferences, seminars, events and exhibitions.</i></p>
	<p>EU designation of IR ‘122</p> <p>Class 35: <i>Secretarial and reception (desk) services; administrative services; business management, including intermediary services for the purchase of products and services of third parties; rental of office machines and apparatus; accounting services; answering phone calls in case of absence of subscribers.</i></p> <p>Class 36: <i>Rental and financial management of furnished (temporary) work and office spaces; rental of real estate.</i></p> <p>Class 43: <i>Catering services; services for providing food and drinks; rental of temporary accommodations; providing facilities for meetings, conferences, seminars, events and exhibitions, other than for advertising purposes.</i></p>

33. In *Gérard Meric v OHIM*, Case T- 133/05, the General Court (“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”.

34. The opponent states that the services covered by the application are identical or highly similar to its services. Although the applicant initially denied the similarity of the services, it later conceded that all of the contested services are identical and/or similar to the opponent’s services.¹⁴

35. In my view, all but one of the services listed in the applicant’s specification are either self-evidently identical to the opponent’s services or are identical by virtue of being encompassed by the opponent’s services (*Meric*). The only exception is, in my view, the services of *rental of advertising time and space* in class 35 which I do not think fall within any of the opponent’s services. However, as the applicant has conceded that the contested services are identical or similar to the opponent’s services (albeit it has not stated to what degree they are similar) I find that they are similar to, at least, a low degree. Further, the IR ‘460 covers *providing facilities for meetings, conferences, seminars, events and exhibitions* that (contrary to the IR ‘122) do not exclude (and therefore include) those for advertising purposes, in which case the services have a similar purpose, target the same users and are complementary, giving rise to a high degree of similarity.

Average consumer

36. 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.

¹⁴Submissions in lieu, paragraph 27

37. 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.”

38. The average consumer of the respective services is a member of the general public who is seeking a desk space, an office space or a meeting room or a business. As the services are not inexpensive and might involve long-term investment or contracts, they strike me as ones which the business user will select with an above medium level of care. The member of the public is also likely to pay an above medium level of attention to choosing the services.

39. The selection process will involve mainly visual considerations, with both groups of consumers exposed to the marks in advertising, on websites, in brochures and catalogues. However, there is also potential for an oral aspect to the process, given that personal recommendations or discussions over the phone may play their part.




Comparison of marks

40. 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.”

41. 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.

42. The respective marks are shown below:

The applicant’s mark	The opponent’s earlier marks
	EU designation of the IR ‘460 
	EU designation of the IR ‘122 

The applicant’s mark

43. The applicant’s mark consists of the word ‘co’ written in lower-case letters and followed by a long dash and placed directly above the word ‘space’ which is also presented in lower-case letters. These elements are all presented within a circular device. The overall impression of the mark is dominated by the combination of the words ‘co —’ and ‘space’ which hangs together to form a unit. The stylisation is minimal and will play a lesser role in the overall impression of the mark.

The EU designation of the IR '460

44. The EU designation of the IR '460 consists of the word SPACES followed by a dot and depicted in capital letters in white within a dark grey hexagonal frame. Although I bear in mind that words speak louder than devices, I also take into account that the word SPACES has an ancillary position within the mark due to its small size and position and it is allusive (and therefore of weak distinctive character) for at least some of the services concerned, including, for example, *rental and management of furnished (temporary) work and office spaces, rental of real estate and rental of temporary accommodations; providing facilities for meetings, conferences, seminars, events and exhibitions*. Although the hexagon is significantly larger, it is a banal shape, which is not, in itself, particularly distinctive, and derives its distinctiveness from its particularly imposing size. The addition of a full stop after the word SPACES does not add much in terms of distinctiveness to the mark and owing to its simplicity and its size it is hardly noticeable. In terms of overall impression, the mark is marginally more dominated by the word SPACES even for the services in relation to which the word is allusive and notwithstanding its size. The hexagonal frame, the dot and the arrangement of the figurative and word elements are not particularly striking and although they have a visual impact on the overall impression, they are less distinctive than the word SPACES.

The EU designation of the IR '122

45. In this mark it is possible to identify the same three components forming the IR '460 (i.e. a hexagon, the word SPACES and a dot), however, the representation displayed in this mark completely changes the position and relative size of these elements within the arrangement of the mark and, as such, it alters the overall impression of the mark. Here the word SPACES is considerably larger than the hexagon and its impact is more significant in the overall impression of the mark. That is also the case for the dot, that is more noticeable than the dot in the IR '460, although in itself, is still not particularly impactful. The hexagon will still play a role in the impression of the mark, although to a lesser extent than in the IR '460.

The applicant's mark and the EU designation of the IR '460

46. The opponent states that the element 'co' in the applicant's mark will be understood to mean 'joint', 'mutual' or 'common' and that the mark as a whole will be understood as a reference to the services being provided within shared, common spaces. According to the opponent, the word 'co' does little to detract from the dominant element of the mark, i.e. the word 'space', and does not assist in differentiating between the marks. The opponent also argues that the presence of shapes in the marks creates an additional similarity, because the hexagon in the earlier mark and the circular device in the applicant's mark are simple shapes and create a "family theme of shapes used in the respective marks".

47. The applicant argues that the marks are visually, aurally and conceptually different and that in the contested mark a greater emphasis will be placed on the prefix 'co' as it is the first element of the mark. In particular, the applicant points to the following: (1) the applicant's mark is written in lower-case letters with the two words 'co' and 'space' written in black on two lines and incorporated within a white circle, whereas in the opponent's mark the single word SPACES is written in white, in capital letters and is placed against a dark hexagonal background; 2) the size of the letters and their relative size compared to the device is different in each mark; 3) the shape of the devices is also different.

48. I find that whilst there is some visual similarity in the word elements of the marks, which is created by the presence in both marks of the letter sequence SPACE, this is offset by the presence of the prefix 'co' (followed by a long dash) in the applicant's mark and the final letter S in the opponent's mark. Further, as the applicant pointed out, an overall analysis of the marks viewed as a whole reveals many typographical and figurative differences, i.e. the use of different fonts and typefaces, the size of the letters being more prominent in the applicant's mark and the use of different background shapes and colour contrasts. In my view, the marks are visually similar to a low degree.

49. Aurally, the marks will be pronounced as COSPAYSS and SPAY SIZ. In my view, on account of its the position at the beginning of the applicant's mark, the prefix 'co'

clearly differentiate the marks aurally. The ending of the marks is also slightly different. Overall, I consider that the marks are similar to a degree between low and medium.

50. Conceptually, the opponent states that the marks are identical. The applicant argues that whilst the opponent's mark is pluralised, the applicant's is not and that the conceptual impact of the prefix 'co' in the contested mark cannot be underestimated because it brings to mind the concept of 'coworking' which is an arrangement whereby workers from different companies share an office space. The Collins English Dictionary defines the prefix co- as follows: "is used to form verbs or nouns that refer to people sharing things or doing things together". Even if the difference created by the singular and plural form of the word SPACE does not introduce a remarkable conceptual gap, I agree with the applicant that the prefix 'co' introduces a new distinctive concept, i.e. that of 'sharing', that it is not present in the opponent's mark. The marks are in my view similar to a degree between low and medium.

The applicant's mark and the EU designation of the IR '122

51. I do not think that the differences between the IR '122 and the IR '460 means that the former is more similar or less similar to the applicant's mark than the latter. Hence, I reach the same conclusions I have reached in respect of the IR '460.

Distinctive character of earlier mark

52. 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 *WindsurfingChiemsee 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).”

53. The opponent claims that due to its substantial and considerable reputation, the earlier marks have acquired an enhanced degree of distinctive character through use.

54. To be fair to the opponent, the applicant did not challenge the evidence of use until the very last moment, i.e. in its submissions in lieu. Although this is not ideal, the opponent’s claims must be weighed up in the context of all the evidence and the evidence does not have to be accepted, even if it is unchallenged.¹⁵

55. As regards the IR ‘460, the applicant pointed out that the evidence shows only two examples of this mark being used within Exhibit 6; these, I notice, are from webpages dated after the date the application was filed (which is the relevant date for the assessment I am required to make).¹⁶ I would add to this that the only other instance of use of this mark appears on a Facebook post which is also undated.¹⁷

56. Although there are a number of examples of use of the mark  (which corresponds to the IR ‘122) prior to the relevant date, including on print-outs from websites and social media, on advertising material and on pictures of offices interiors, I agree with the applicant that the revenue and advertising figures given in the evidence for the EU and the UK do not enable any firm conclusion to be drawn as

¹⁵ See by analogy *Robot Energy Limited v Monster Energy Company* [BL O/308/20]

¹⁶ Pages 63 and 64

¹⁷ Page 67

regards what the breakdown of use is for each of the earlier marks and in respect of each of the different services relied upon by the opponent.

57. The applicant also argues that IWG (i.e. the company on behalf of which it is said that the opponent holds the earlier marks) is a global company with numerous brands and attempted to file evidence of this within its submissions in lieu. However, as the applicant did not request (and was not granted) permission to file late evidence, I disregard it.

58. In considering the issue of enhanced distinctiveness, I also consider the following:

- 1) whilst the evidence of turnover is said to relate to the whole of the specification, Mr Wetherall describes IWG as a multinational corporation that provides “serviced offices, virtual offices, meeting rooms and videoconferencing to clients on a contract basis” and all of the evidence of use relates to the provision of offices, workspaces and meeting rooms. Mr Wetherall also describes the business operated by reference to the earlier marks as “the co-working business” acquired in 2015;¹⁸
- 2) although I have disregarded the applicant’s evidence about IWG using other brands, I note Mr Wetherall’s statement that the earlier marks are one of IWG’s newer brands¹⁹ - which implies that IWG owns other brands. The evidence also shows that IWG uses the sign ‘spacesworks’, which is not relied upon in these proceedings;
- 3) the UK turnover figures are significant, amounting to around £130 million over the period 2015-2019;
- 4) although advertising figures are provided for the EU, there is no information about advertising spend in the UK;
- 5) there is no indication of market share and little indication of how geographically widespread the use of the earlier marks has been in the UK. Some information can be inferred from posts from social media which indicate that a number of locations opened in the UK prior to the relevant date, namely in London (since

¹⁸ Paragraph 8 of Mr Wetherall’s witness statement

¹⁹ Paragraph 8 of witness statement

2015), Edinburgh (since 21 June 2018), Manchester (29 September 2018), Slough (9 October 2018), Glasgow (19 December 2018) and Heathrow airport (18 June 2019). The online articles also indicate that by 26 September 2017 SPACES had opened 9 facilities in the UK, 3 of which were in London, but it is not clear how many facilities IWG operated under the earlier marks by 16 October 2019, i.e. at the relevant date, and the evidence is that most of the expansion occurred in 2019.

59. Looking at the evidence as a whole and taking into account all of the above, the most that can be said is that a proportion of the turnover figures is likely to have been generated by reference to the IR '122 and that the IR '122 has been used for the provision of offices, workspaces and meeting rooms. Although the turnover figures have increased very significantly from £1.6 million (2015), to £5.1 million (2016), to £10.2 million (2017), to £37.8 million (2018), to £74.9 million (2019), the bigger increase occurred the year before the relevant date (or at most two year before the same date), which is hardly sufficient to establish long-standing use.

60. I will now consider whether this use is sufficient to enhance the distinctiveness of the mark to any material extent.

61. Inherently, I consider that the IR '122 has a low degree of distinctiveness in the context of the services for which it has been used, because the word SPACES, which is the dominant element of the mark, is allusive of a characteristic of the services (i.e. the provision of workspaces, office spaces and meeting rooms), and therefore is only of weak distinctive character, both alone and in combination with the other elements of the mark, which are even less distinctive.

62. The applicant has provided evidence of other companies using the word SPACE in their marks in relation to the provision of, inter alia, office spaces, along with some information about turnover and length of use in the UK, which indicates that some of these companies are well-established. These include WorkSpace, Biz Space, TechSpace, FlexSpace, HeadSpace Group, This Workspace, CSpace and Shadow Space. In relation to this evidence the opponent has only raised the point that all of the examples provided are about marks incorporating the word SPACE not SPACES.

63. Although I do not consider the applicant's evidence determinative, the fact that there are other traders and an official association using the word SPACE (albeit with further verbal and/or figurative elements) in their trade marks or names in relation to the same services as those offered under the mark, reinforces my starting point that the word is not particularly distinctive in the context of the services. As regards the question of whether the use made has enhanced the distinctiveness of the mark, even taking a generous view of the evidence, my conclusion is that, bearing in mind the gaps present in the evidence, it would not have increased it to more than a low to medium degree. This conclusion applies to the specification covering *Rental and management of furnished (temporary) work and office spaces* in class 36 and *providing facilities for meetings* in class 43.

64. As regards the remaining services in the specification, I find that the mark has also a low degree of distinctiveness (not enhanced) in relation to *rental of real estate* in class 36 and *providing facilities for conferences, seminars, events and exhibitions* in class 43 (in the context of which the word SPACES is allusive) and a medium degree of distinctive character in relation to the remaining services in the specification.

65. As regards the inherent distinctiveness of the IR '460 I extend the same conclusions reached above, although I find that given the complete absence of evidence about use of the mark prior to the relevant date, that distinctiveness has not been enhanced.

Likelihood of confusion

66. 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 marks may be offset by a greater degree of similarity between the respective 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 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 marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

67. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where 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).”

68. Earlier in this decision I found that:

- the respective services are identical except for *rental of advertising time and space* which I found to be either similar to a low or to a high degree to the specification covered by the earlier marks;
- the average consumer is a business or member of the general public, who will purchase the services by predominantly visual means (although I do not discount an aural component). An above medium degree of attention will be paid during the purchasing process;
- the applicant’s mark and the opponent’s marks are visually similar to a low degree and aurally and conceptually similar to a degree between low and medium;
- the IR ‘122 is inherently distinctive to a low degree in the context of the services for which it has been used, namely *rental and management of furnished (temporary) work and office spaces* in class 36 and *providing facilities for meetings* in class 43, with the use of the mark having increased that distinctiveness to a degree between low and medium. The mark has also a low degree of distinctiveness in relation to *rental of real estate* in class 36 and *providing facilities for conferences, seminars, events and exhibitions* in class 43 and a medium degree of distinctiveness in relation to the remaining services, but it does not benefit from enhanced distinctiveness. The same conclusions about inherent distinctiveness apply to the mark ‘460, but here the mark does not benefit from enhanced distinctiveness in relation to any of the services listed in the specification.

69. The overall impressions of the parties’ marks are quite different, and the concept of sharing in the applicant’s mark furnishes a clear point of conceptual difference. I recognise that the marks may share degree of aural similarity between low and

medium, but even taking into account imperfect recollection, the verbal elements of the marks are not the same and visual considerations are more important, and the marks are noticeably different. There is no likelihood of direct confusion.

70. As regards indirect confusion, first, the sequence SPACE, although present in both marks, does not have an independent distinctive role within them because it is incorporated within two different words, namely the word CO-SPACE and the word SPACES, so the conceptual similarity between the marks does not come into full play. Second, the dominant element of the earlier marks, i.e. the word SPACES, is inherently low in distinctiveness in particular in the context of the services for which it has been used; even factoring in enhanced distinctiveness, the mark is distinctive to, at most, a low to medium degree (including for the services for which it has been used) and a medium degree (for the other services listed in the specification). Third, although the stylised aspects of each mark are not very striking, they are entirely different and create different overall impressions. Factoring in all the above, my conclusion is that consumers are unlikely to perceive the contested mark as a variant or brand extension of the earlier marks originating from the same stable, even when identical services are involved. There is no likelihood of indirect confusion.

71. The opposition based upon Section 5(2)(b) fails.

Section 5(4)

72. Section 5(4)(a) states:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa)

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

73. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

74. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon case* (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

75. The applicant makes no claim to have used the contested mark before the date of application (16 October 2019), and so this is the relevant date for the purposes of assessing whether the opponent has protectable goodwill, which it claims that it has in relation *Secretarial and reception (desk) services; administrative services; business management, including intermediary services for the purchase of products and services of third parties; rental of office machines and apparatus; accounting services; answering phone calls in case of absence of subscribers; rental and financial*

management of furnished (temporary) work and office spaces; rental of real estate; catering services; services for providing food and drinks; rental of temporary accommodations; providing facilities for meetings, conferences, seminars, events and exhibitions, other than for advertising purposes. The sign it claims to have used is SPACES.

Goodwill

76. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

77. The evidence refers to IWG (which is not a party to the opposition) as the user of the marks. Whilst this might not be a problem when it comes to showing that the earlier registered marks have been used with the consent of the registered proprietor (which in this case is the opponent, Pathway IP II GmbH), or that the marks have acquired enhanced distinctiveness or reputation by virtue of that use, it creates an issue, insofar as the opponent needs to establish that it is Pathway IP II GmbH that owns the goodwill and is entitled to rely upon it. In other words, for a successful claim under Section 5(4)(a), the opponent, Pathway IP II GmbH, must be the owner of the goodwill in the UK, as per Article 2 of The Trade Marks (Relative Grounds) Order 2007. In considering the question of the ownership of the goodwill, I take into account the following passage from *The Law of Passing-Off: Unfair Competition by Misrepresentation*, 4th Ed, Wadlow. Although it relates to the ownership of goodwill as between manufacturers and distributors, it nonetheless provides helpful guidance in determining where the goodwill lies. It reads:

“3-136 The factors which influence the ownership of goodwill were encapsulated by Lord Reid in *Oertli v Bowman* [1959 RPC 1, 7, HL]:

“Bowmans made and marketed the Turmix machines without the appellants [plaintiffs] having controlled or having had any power to control the manufacture, distribution or sale of the machines, and without there having been any notice of any kind to purchasers that the appellants had any connection with the machines.”

There are two distinct, and not necessarily consistent, standards in this passage. One is to ask who is in fact most responsible for the character or quality of the goods; the other is to ask who is perceived by the public as being responsible. The latter is (perhaps surprisingly) the more important, but it does not provide a complete answer to the problem because in many cases the relevant public is not concerned with identifying or distinguishing between the various parties who may be associated with the goods. If so, actual control provides a less decisive test, but one which does yield a definite answer.

3-137 To expand, the following questions are relevant as to who owns the goodwill in respect of a particular line of goods, or, *mutatis mutandis*, a business for the provision of services:

- Are the goods bought on the strength of the reputation of an identifiable trader?
- Who does the public perceive as being responsible for the character or quality of the goods? Who would be blamed if they were unsatisfactory?
- Who is most responsible in fact for the character or quality of the goods?
- What circumstances support or contradict the claim of any particular trader to be the owner of the goodwill? For example, goodwill is more likely to belong to the manufacturer if the goods are distributed through more than one dealer, either at once or in succession. If more than one manufacturer supplies goods to a dealer and they are indistinguishable, the dealer is more likely to own the goodwill”.

78. There is no presumption in law as to where the goodwill would lie: it is a factual matter, to be determined on the evidence.

79. The evidence is that the opponent is a company who owns IWG's intellectual property rights including all the earlier registered marks relied upon in these proceedings. Whilst I accept that IWG's use of the registered marks in the UK is with the consent of Pathway IP II GmbH, it does not follow that any goodwill generated by IWG in the UK is owned by Pathway IP II GmbH. Although the fact that the opposition has been brought by Pathway IP II GmbH indicates that both the businesses on the opponent side agree that Pathway IP II GmbH is the owner of the opponent's goodwill, the evidence is silent on this point. I acknowledge that Mr Wetherall is the Head of Legal of IWG and gives evidence that the opponent is the owner and holder of IWG's intellectual property rights. However, without understanding the nature of what was agreed (and when it was agreed), it cannot be assumed that Pathway IP II GmbH owned, or partially owned, any goodwill at the relevant date in the absence of evidence of any agreement between IWG (which appears to be the entity behind the business supplying the services) and Pathway IP II GmbH covering the ownership of any goodwill prior to the relevant date.

80. Pathway IP II GmbH's claim fails. However, in case of appeal on those points, I will go on to consider whether the claim would, in any event, be made out.

Misrepresentation and damage

81. The relevant test was set out by Morritt LJ in *Neutrogena Corporation & Anor v Golden Limited & Anor* [1996] RPC 473:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at page 407 the question on the issue of deception or confusion is:

‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product].

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol. 48 para. 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd v June Perfect Ltd* (1941) 58 RPC 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 RPC 97 at page 101."

82. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;


(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;


(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

83. It is true that the sale figures indicate a relatively large business, however, the sign SPACES is of very weak distinctiveness in the context of the services for which it has been used, i.e. the provision of working spaces, office spaces and meeting room.

84. Further, most of the evidence relates to use of the marks  **SPACES.**

and  and although there are some examples of use of the plain word SPACES on social media, they are far from showing that the word SPACES is used on its own to the same extent as the logo versions, so use of the claimed sign is not particularly intense. Finally, there are no figures relating to promotional expenditure in the UK. In *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* [1946] 63 RPC 39, Lord Simonds stated that:

“Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed

unfairly to monopolise the words. The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.”

85. Whilst there might be a slightly higher degree of visual similarity between the contested mark and the sign SPACES compared to the assessment I made in relation to the earlier registered marks (I would pitch it as between low and medium), taking all of the circumstances into account, in particular the differences between the marks and what I have just said in relation to the fact that the sign relied upon is only weakly distinctive, it is unlikely in my view that a substantial number of members of the public will be misled into purchasing the applicant’s services in the belief that they are provided by or connected with the opponent. There is no misrepresentation.

86. The claim under Section 5(4)(a) also fails.

Section 5(3)

87. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

88. Section 5(3A) states:

“(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

89. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74* and *the court's answer to question 1 in L'Oreal v Bellure*).

90. The relevant date for the assessment under Section 5(3) is the date of the application, namely 16 October 2019.

Reputation

91. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

92. The opponent has not provided any information about the market share held by the marks or the size of the investment made in promoting the marks in the UK. Although promotional figures are provided for the EU, the link must be made from the perspective of the relevant public in the territory in which registration of the contested national mark concerned by the opposition has been applied for, i.e. the UK, so they do not assist much in that respect. Also, as I found, the bigger increase in terms of locations occurred in the two years before the relevant date, which does not establish long-standing use. Finally, there is no evidence of use of the IR ‘460 before the relevant date.

93. Taking the most generous view of the evidence, on balance, I accept that the opponent had a modest reputation in the UK for providing working spaces, office spaces and meeting rooms under the IR '122 at the relevant date.

Link

94. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks. I have found the IR '122 and the applicant's mark to be visually similar to a low degree and aurally and conceptually similar to a degree between low and medium.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public. The services for which the opponent has demonstrated a reputation are identical to some of the applicant's services, namely *rental of business premises; rental of offices; rental of office space; leasing of offices* (in class 36) and *hire of temporary office space; provision of temporary business or work accommodation; provision of event facilities and temporary office and meeting facilities; rental of meeting rooms and desks; temporary accommodation services for meetings* (in class 43). The remaining services in the applicant's specification are complementary to the opponent's services and similar to a medium degree.

The strength of the earlier mark's reputation. The earlier mark has a modest reputation for providing working spaces, office spaces and meeting rooms.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use. I found the IR '122 to be inherently distinctive to a low degree in relation to the services for which it has a reputation and to a medium degree in relation to the other services in the specification. The distinctiveness of the mark has been enhanced

through use in relation to providing working spaces, office spaces and meeting rooms to a degree between low and medium.

Whether there is a likelihood of confusion. I have found that there is no likelihood of confusion.

95. Bearing in mind all of the above, and in particular the differences between the marks, and the weak distinctiveness in the common element, I find that even allowing for the earlier mark enjoying a modest reputation, the average consumer is unlikely to make a link between the respective marks. However, even if I am wrong about that, I find that any such link that may be made would be so weak and fleeting as to be incapable of leading to the contested mark taking unfair advantage of the earlier mark or causing it any detriment to distinctiveness or damage to reputation.

The opposition under Section 5(3) also fails.

Overall outcome

96. All the grounds of opposition have failed. The opposition is rejected.

Costs

97. The opposition having failed, the applicant is entitled to a contribution towards its costs. I bear in mind that the relevant scale is contained in Tribunal Practice Notice 2/2016. I assess the appropriate contribution as follows:

Filing a counterstatement and considering a notice of opposition:	£250
Filing evidence and considering the opponent's evidence:	£600
Filing submissions in lieu:	£250
Total:	£1,100

98. I therefore order Pathway IP II GmbH to pay CoSpace Group Limited the sum of £1,100. This sum to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of any appeal proceedings.

Dated this 22nd day of June 2021

T Perks

For the Registrar,

the Comptroller-General