

# O-590-16

## TRADE MARKS ACT 1994

### IN THE MATTER OF TRADE MARK APPLICATION NO 3095599 IN THE NAME OF VEROFY LIMITED

### AND IN OPPOSITION NO 404634 THERETO BY VFX FINANCIAL PLC

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## DECISION

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### Introduction

1. This is an appeal against the decision of Ms Al Skilton, acting on behalf of the Registrar, dated 12 May 2016 (O-235-16). In her Decision the Hearing Officer rejected the opposition under section 5(2)(b) of the Trade Marks Act 1994.
2. On 22 February 2015, Verofy Limited (“*Verofy*”) applied to register the trade mark set out below in classes 36 and 42:



3. Following publication of the application on 20 March 2015, Play2Global Limited filed a notice of opposition directed against the services in class 36 of the application. Following an assignment, the opposition now stands in the name of VFX Financial Services PLC (“*VFX*”).
4. The ground of opposition that was pursued was under section 5(2)(b) of the Trade Marks Act 1994 (“*the 1994 Act*”). For this purpose VFX relied upon trade mark registration No. 2563837 filed on 10 November 2010 which was granted on 1 April 2011 for the series of marks with respect to various goods and services in classes 9, 35, 36 and 38:

# MoBe



5. On 20 September 2015 Verofy filed a counterstatement in which it denied all the grounds of opposition.
6. Neither side filed any evidence in the opposition. VFX elected to simply file written submissions during the period allowed for filing evidence. Neither side requested to be heard. Neither side filed submissions in lieu of attendance at the hearing. The Hearing Officer therefore proceeded to decide the case on the basis of the papers before her.

### **The Hearing Officer's Decision**

7. Having identified the relevant legal principles to be applied to the assessment for conflict under section 5(2)(b) of the Act (paragraph 10 of the Decision) the Hearing Officer went on to find that as a preliminary point that the mark relied upon by VFX ("*the Earlier Mark*") was not the subject to proof of use and therefore the specification as registered must be compared with the specification of the mark applied for as published (paragraph 16 of the Decision).
8. The Hearing Officer then turned to the question of the average consumer and the nature of the purchasing act and concluded in 20 of the Decision as follows:

20. The services in the respective parties' specifications are wide ranging and disparate. Consequently, the manner in which they will be selected, and the degree of care that will be taken by the average consumer during their selection, is also likely to vary accordingly. A member of the general public buying currency for a holiday is likely to choose those services visually and is likely to pay no more than average degree of attention when doing so. A business user commissioning an undertaking to provide merchant banking services or provide computerised financial services for its retail business, on the other hand, is likely to pay considerable attention to what is likely to be an expensive purchase. The process is likely to include an initial review of potential candidates (e.g. by using specialist publications and websites) and may include a range of meetings with various undertakings to discuss various options and their costs. Consequently, a mixture of both visual and aural

considerations is likely to come into play and a high degree of attention is likely to be paid to the selection of such services. Due to the wide ranging nature of the respective parties' services I will return to the issue of the average consumer when I consider the likelihood of confusion later in this decision.

9. The Hearing Officer then identified the services in class 36 that she was required to compare and concluded that all the services in the mark applied for were identical to the services specified in the Earlier Mark. On that basis the Hearing Officer considered that it was not necessary for the purposes of the Decision to consider the other goods and services specified in the Earlier Mark (paragraph 24 of the Decision).
10. With regard to the comparison of the trade marks the Hearing Officer made the following assessments:

27. The first of the opponent's earlier trade marks (in a series of two) consists of the letters 'MoBe', presented in black. The capitalisation of the M and B serve to create a natural break between the first two letters and the second two. In the second mark of the series the presentation of the letters is the same with the additional feature that the second two letters, 'Be' are presented in pink, further emphasising the natural break between, 'Mo and 'Be'. In the second mark the word is presented over a grey shaded background which fades from white at the top to a darker grey at the bottom. A slight shadow of the letters, 'MoBe' is visible, reflected in the grey background. The overall impression of the first mark rests entirely in the letters, MoBe. In the second mark the overall impression is dominated by the letters 'MoBe', the background being given no origin significance and the slight shadow of the lettering likely to go largely unnoticed.

28. The applicant's mark comprises the word 'mobicard' presented in lower case in white. The background to the word is a blue rectangle with rounded corners which is turned to the left by about 20 degrees, resulting in a diagonal presentation with its lowest point situated bottom left. The word is shown horizontally across the centre of the rectangle shape. The rectangle has a thin white outline, made visible by a faint grey drop shadow, which is stronger at the bottom of the mark. To the left of the word is a small blue circle with a white outline which sits just below the letter 'm' of 'mobicard' and about half way up the left side of the rectangle shape.

29. I note that the opponent submits that the dominant and distinctive element of the applicant's mark is the first four letters of the word, namely, 'mobi'. Whilst I except that for some of the services in class 36, the 'card' element is not particularly distinctive, the word in the mark applied for is

'mobicard' and that is how it will be seen by the average consumer. Artificially dissecting the mark and making the comparison on the basis of the first four letters would not be a correct application of the law I have outlined above.

30. The background is not simply a plain blue rectangle. A number of elements, inter alia, the angle of its presentation and the white outline, give it a 'designed' feel. Consequently, it would not go unnoticed by the average consumer and it plays a part in the overall impression of the mark. However, the word 'mobicard' plays the greater role and dominates the overall impression.

#### Visual similarities

31. Visual similarity between the marks rests in the first three letters of each which are M-O-B. In the application they are part of the longer word 'mobicard' all presented in lower case. In the opponent's mark they are part of 'MoBe', the M and B being presented in upper case, either side of a lower case 'o'. Visually this is a noticeable difference, as is the blue tilted rectangle behind the word 'mobicard' in the application. A further difference is provided by the second of the opponent's mark, where the 'Be' element is presented in pink. Taking all of these factors into account, visual similarity between these marks is low.

#### Aural similarities

32. The opponent states that the applicant's mark will be pronounced, MOB-EE-CARD. I think that is the most likely pronunciation which will be adopted by the average consumer. It also submits that its own mark will be pronounced the same as the first two syllables in the application, namely, MOB-EE. Given the natural break in the opponent's mark, created by the capitalisation of the first and third letters, it is more likely that the opponent's earlier marks will be pronounced, MOE-BEE. In either case, these marks are aurally similar to at best a medium degree.

#### Conceptual similarities

33. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. The assessment must be made from the point of view of the average consumer.

34. The opponent's series of marks have no meaning in English and will be considered to be invented words by the average consumer. They are therefore, conceptually neutral.

11. With regard to the distinctive character of the Earlier Mark the Hearing Officer found on the basis of inherent distinctive character that the mark enjoyed a high level of distinctive character (paragraph 36 of the Decision).

12. Finally the Hearing Officer turned to her assessment of the likelihood of confusion. In making that assessment the Hearing Officer first summarised her previous findings in paragraph 38 of her Decision as follows:

38. I have made the following findings:

- The parties' marks are visually similar to a low degree.
- The parties' marks are aurally similar to at best a medium degree.
- They are conceptually dissimilar.
- The respective services in class 36 are identical.
- The average consumer may be a member of the general public, a professional or a business. The purchasing process and attention paid varies according to the particular services at issue.
- The earlier series of marks has a high degree of inherent distinctive character.

13. In paragraph 40 of her Decision the Hearing Officer concluded:

40. I have found there to be some similarities between the marks but also some differences which, in my view, are not trivial. The average consumer, through whose eyes this matter must be assessed, may be a professional (paying a high level of attention to technical and expensive financial services) or a member of the general public (using a bank or applying for a credit card). In dealing with financial matters the level of attention paid by the average consumer will be at least average. The nature of the purchase is primarily visual, though I do not rule out an aural element, particularly where a financial advisor may be consulted. Taking into account all relevant factors I find that the differences between the marks far outweigh the similarities even where identical services are involved.

### **The Appeal**

14. On 1 June 2016 an appeal was filed on behalf of VFX pursuant to section 76 of the 1994 Act. In substance the appeal is that the Hearing Officer erred in the application of the case law to the facts of the present case by:

- (1) In respect of the visual comparison of the marks giving undue weight to the device aspects of the marks having regard to the imperfect recollection of one when viewing the other and in particular the visual resemblance of the

distinctive elements of the marks ‘mobi’ and ‘Mobe’ being the first part of the marks;

- (2) In respect of the aural comparison of the mark finding that the mark applied for would be pronounced MOB-EE-CARD in circumstances where it has been accepted by Verofy that ‘Mobi’ would be pronounced MOE-BEE i.e. in the same way as ‘MoBe’;
  - (3) In respect of the conceptual comparison finding that the marks were conceptually dissimilar contrary to an earlier finding in the Decision that the marks were conceptually neutral; and
  - (4) In making the global assessment of the likelihood of confusion (a) giving insufficient weight to the aural element in assessing how the average consumer would perceive the marks; (b) giving insufficient weight to the interdependence principle given the identical services in issue; (c) giving too little weight to the distinctive and dominant components of the marks; and (d) giving too little weight to the inherent distinctive character of the Earlier Mark.
15. No Respondent’s Notice was filed on behalf of Verofy.
  16. At the hearing of the appeal Mr Harrison of Azrights, Solicitors appeared on behalf of VFX. Verofy did not appear at the hearing of the appeal nor were any written submissions filed in lieu of attendance at the hearing of the appeal.

### **Standard of review**

17. This appeal is by way of review. Neither surprise at a Hearing Officer’s conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong. See Reef Trade Mark [2003] RPC 5, and BUD Trade Mark [2003] RPC 25.
18. In Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said:

50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant’s complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test.

In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416 , 2423:

‘Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.’

19. This approach was reiterated by the Court of Appeal in Fage UK Ltd v. Chobani UK Ltd [2014] EWCA Civ 5; [2014] E.T.M.R. 26 at paragraphs [114] and [115]. Moreover in paragraph [115] Lewison LJ said:

115 It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the Court of Appeal the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: *see Customs and Excise Commissioners v A* [2002] EWCA Civ 1039; [2003] Fam. 55; *Bekoe v Broomes* [2005] UKPC 39; *Argos Ltd v Office of Fair Trading* [2006] EWCA Civ 1318; [2006] U.K.C.L.R. 1135.

20. It is necessary to bear these principles in mind on this appeal.

### **Decision**

21. With regard to the visual comparison of the marks it is in effect submitted on behalf of VFX that the Hearing Officer should have focussed on a comparison ‘*between the distinctive elements of the mark: mobi and Mobe*’. This approach was expressly

rejected by the Hearing Officer in paragraph 29 of her Decision and it seems to me that she was right to do so.

22. Whilst it is correct that, in accordance with the case law of the Court of Justice of the European Union (“*CJEU*”) cited by the Hearing Officer in paragraph 10 of her Decision, an overall impression conveyed to the public may be dominated by one or more of its components the word element in the mark applied for is not ‘*mobi*’ but ‘*mobicard*’ and therefore even if it was appropriate to regard the word elements as dominant the comparison would be ‘*mobicard*’ and ‘*Mobe*’. To do otherwise would be to artificially dissect the word element of the mark applied for that is to say to ignore entirely one half of the word element (which is presented as a single word) of the mark applied for contrary to the case law of the CJEU.
23. It has been suggested that the Hearing Officer should have given greater weight to the fact that the signs both start with the same three letters M. O and B. However it is clear that the Hearing Officer did take this into account in making her Decision as indicated in paragraph 31.
24. Moreover it seems to me that the Hearing Officer was also correct, having found that the word ‘*mobicard*’ dominated the overall impression of the mark applied for, to take into account, as she did in paragraph 31 of her Decision (a) the blue tilted rectangle that was behind the word ‘*mobicard*’ in the mark applied for; and (b) the fact that the letters ‘m’ and ‘b’ in the series card were capitalised i.e. the word appeared as ‘*MoBe*’ in concluding that the visual similarity between the marks was low.
25. With respect to the oral similarity of the two marks the first point to note is that neither side stated in their written materials how the respect marks should be pronounced. What was however stated by Verofy in its Counterstatement was as follows ‘*If the Mobicard trade mark was shortened to just Mobi then . . . it would aurally sound the same*’. It was further averred on a number of occasions in the Counterstatement that the mark would not be shortened. In its subsequent written submission VFX noted the acknowledgment by Verofy that ‘*Mobi*’ is aurally identical to ‘*MoBe*’.
26. On this appeal VFX agree with the Hearing Officer that the Earlier Mark would be pronounced MOE-BEE but aver that in the light of the statement of Verofy in its Counterstatement that the mark applied for should also to have been found to have been pronounced MOE-BEE-CARD such that the pronunciation of the beginning of both marks would be identical.
27. VFX also seek to say in its Grounds of Appeal that the Hearing Officer should have taken into account when assessing the aural similarities that ‘*the MOBI element of the applicant’s mark alludes to the word MOBILE*’. However this was not a point that



was raised before the Hearing Officer on the papers before her. Indeed as noted above there were no express submissions from either side as to how the marks would be pronounced. The Hearing Officer cannot therefore be criticised for not taking such a submission into account and I therefore say no more about this.

28. The Hearing Officer took the view that the most likely pronunciation of the mark applied for by the average consumer was MOB-EE-CARD. Whilst she noted that VFX submitted that '*Mobi*' is aurally identical to '*MoBe*' she herself considered that the Earlier Mark would be more likely to be pronounced MOE-BEE. In either case the Hearing Officer considered the marks as aurally similar to, at best, a medium degree.
29. It seems to me that the Hearing Officer was entitled to make the finding that she did as to aural similarity whether on the basis of a comparison of MOB-EE-CARD with MOB-EE or MOB-EE-CARD with MOE-BEE. In any event it also seems to me that a comparison of MOE-BEE-CARD with MOE-BEE would likewise produce the same result i.e. a finding that the marks are aurally similar to at best a medium degree.
30. Turning to the assessment of conceptual similarity it is to be noted that neither party made any plea or submissions on this issue before the Hearing Officer. In paragraph 34 of her Decision the Hearing Officer found that the Earlier Mark had no meaning in English and would be considered to be an invented word. The Hearing Officer does not appear to have made an express finding with regard to the mark applied for in the section of her Decision headed '*Conceptual similarities*'. However in paragraph 38 of her Decision the Hearing Officer summarised her findings on the issue as including a finding that the parties' respective marks were '*conceptually dissimilar*'.
31. What was said in the Grounds of Appeal is that the Hearing Officer having made the finding that she did in paragraph 34 of her Decision she should not then have gone forward to make her assessment of the likelihood of confusion, as she apparently did, on the basis that the marks were '*conceptually dissimilar*' but rather should have made her assessment of the likelihood of confusion on the basis that the marks in suit were conceptually neutral.
32. I have more than a little sympathy with VFX on this issue. However: (1) it seems to me that on the basis of the reasoning applied by the Hearing Officer with respect to her finding that the Earlier Mark was to be regarded as conceptually neutral also applies to the mark applied for such that both marks should be regarded as conceptually neutral. Indeed I note that VFX considered in its Grounds of Appeal that the Hearing Officer had made such a finding; and (2) in the context of the specific wording in this Decision it seems to me that the reference to '*conceptually dissimilar*' is in fact to be properly regarded as a reference to a finding that the marks are not conceptually similar.

33. In addition, in the written submission filed for the purposes of this appeal, VFX now seek to say that the marks in suit are conceptually similar as they ‘*convey the concept of “mobile” particularly given the awareness of consumers of the increasing use of mobile communications in all the relevant aspects of financial services*’. This was not a Ground of Opposition nor contained in the submissions filed before the Hearing Officer below nor was it raised in the Grounds of Appeal. I do not regard that assertion as to the concept conveyed by the marks as correct but in any event given that it has been raised so late and in the absence of the Respondent I do not regard it as appropriate to say anything more about it.
34. Turning to the assessment of the likelihood of confusion. It seems to me that the Grounds of Appeal on this issue, insofar as additional matters are raised to those already dealt with above, are in effect no more than attempt by VFX to obtain a reassessment of the Decision made below.
35. Although dealt with shortly by the Hearing Officer it is my view that the Hearing Officer had firmly in mind the various relevant factors that she needed to take into account. In particular, it is clear that she had in mind (a) the similarities between the respective marks; (b) the range of average consumers for the services in issue and their attributes; (c) that both visual and aural elements were relevant; (d) that the Earlier Mark had a high degree of distinctive character; and (e) that the relevant services were identical.
36. With regard to whether the visual and aural impacts of the marks in suit would play a roughly equal role as submitted by VFX or as found by the Hearing Officer that the visual impact would be the primary one with the aural element being relevant to a lesser degree it is my view that the finding of the Hearing Officer was the correct one. It seems to me that the services with which the Hearing Officer was concerned would primarily involve a visual element not least because of the regulatory environment in which many if not all of the services are provided.
37. It seems to me that the net effect of the findings that were made by the Hearing Officer entitled her to find in assessing the likelihood of confusion that the differences between the marks in suit outweighed the similarities even where identical services are involved. Therefore it does not seem to me that the Hearing Officer was wrong in coming to the conclusion that she did.

### **Conclusion**

38. In the circumstances, I have come to the view that VFX has not identified any material error of principle in the Hearing Officer’s analysis or that the Hearing Officer was wrong. I have decided that the Hearing Officer was entitled to find that there was no conflict under section 5(2)(b) of the 1994 Act between the mark applied for and the Earlier Mark.

39. In the result the appeal fails.
40. Neither side has asked for any special order as to costs. Since the appeal has been dismissed Verofy is entitled to its costs. Verofy did not file a Respondent's Notice, has not filed any written submission on the appeal and chose not to attend the hearing of the appeal. Verofy's costs in relation to the appeal would therefore have been nominal. I will therefore make a modest award of £100 for the costs of the appeal. This sum should be paid in addition to the costs ordered by the Hearing Officer below. I therefore order VFX Finance PLC to pay Verofy Limited £400 within 14 days of the date of this decision.

Emma Himsworth Q.C.  
Appointed Person  
14 December 2016