

O-225-17

TRADE MARKS ACT 1994

IN THE MATTER OF UK REGISTRATION NOS 3097543 & 3097531
IN THE NAME OF
GLOBAL DERIVATIVES INDICES LIMITED
IN RESPECT OF TWO SERIES TRADE MARKS:

irsia cmi & IRSIA CMI

AND

irsia cmf & IRSIA CMF

AND APPLICATIONS FOR INVALIDATION
UNDER NOS 501114 & 501112

BY
CHICAGO MERCANTILE EXCHANGE INC.

BACKGROUND

1. On 4 March 2015 Global Derivatives Indices Limited (the proprietor) made two applications each for a series of two trade marks as shown on the cover page of this decision. The trade marks were registered on 26 June 2015 (IRSIA CMI) and 12 June 2015 (IRSIA CMF).
2. The two marks of each series differ only in that one appears in upper case and the other in lower case. Throughout the remainder of this decision I shall refer to both of the proprietor's marks in upper case, by which I mean to include their lower case versions as there is no material difference in the assessment.
3. The trade marks are registered for:

IRSIA CMI

Class 36

Calculation, provision and dissemination of financial benchmark indices; the provision of published information regarding financial indices in connection with officially quoted futures contracts; calculation of, and provision of an interest rate swap index average; the provision of a financial index for the purpose of interest rate swap future contracts; the provision of cleared and settled derivatives indices regarding products and information services relating thereto; services for the exchange of traded financial instruments and/or products and the provision of information relating thereto: provision of interest rate swaps and information services relating thereto; provision of constant maturity index in regards to constant maturity future contracts; and information services relating thereto; provision of financial information; regarding contracts on futures; financial exchange services; the provision of constant maturity future contracts traded via the Internet.

IRSIA CMF

Class 36

Services for the exchange of traded financial instruments and/or products and the provision of information relating thereto: provision of interest rate swaps and

information services relating thereto; provision of constant maturity future contracts provided via financial services and information services relating thereto; calculation of, and provision of an interest rate swap index average; provision of financial information regarding contracts on futures; financial exchange services; the provision of constant maturity future contracts traded via the Internet; the provision of cleared and settled derivatives products and information services relating thereto; provision of financial benchmark indices; the provision of published information regarding financial indices in connection with officially quoted futures contracts.

4. Chicago Mercantile Exchange Inc. (the applicant) seeks invalidation of the registrations under the provision of section 47 of the Trade Marks Act 1994 (the Act). It does so on grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

5. In respect of its claims based on sections 5(2)(b) and 5(3) of the Act against both registrations, the applicant relies on the following marks:

Mark details and relevant dates	Specification
<p>TM: UK1278521</p> <p>CME</p> <p>Filed: 1 October 1986</p> <p>Date of entry in the register: 26 July 1991</p>	<p>Class 36 Exchange services relating to the trading of commodities, futures and options; all included in Class 36.</p>
<p>TM: EU4035713</p> <p>CME</p> <p>Filed: 14 September 2004</p> <p>Date of entry in the register: 28 July 2006</p>	<p>Class 9 Computer hardware and software for use in providing financial exchange services.</p> <p>Class 36 Financial exchange services.</p> <p>Class 42 Providing temporary use of non-downloadable software for use in providing financial exchange services.</p>

6. The applicant states that for the purposes of its claims under section 5(2)(b) the registered marks are earlier marks and are visually, aurally and conceptually similar to the those of the proprietor. It also contends that the goods and services covered by its marks are at least similar to the services covered by the proprietor's registered marks. As a result, it concludes, there is a likelihood of confusion.

7. With regard to its claim based on section 5(3) of the Act the applicant states:

“6...the marks are similar and consumers would make a link between them, bearing in mind the specialist financial market in which both marks are or would likely be used. As a result, unfair advantage would be gained by the Registered Proprietor of the Registered [Marks] in the sense of ‘free-riding’ on the investment made by the Applicant in building its reputation in the Applicant’s Earlier [Marks]. There would also be detriment to the distinctive character and repute of the Applicant’s Earlier Marks in that the economic behavior of the relevant consumer would likely be affected, as the relevant consumer would assume a connection between the Registered Proprietor and the Applicant’s [goods and] services provided under such similar trade marks. This could lead to both economic detriment in terms of loss of sales from the Applicant to the Registered Proprietor, or detriment to the trade mark in terms of dilution of its distinctive character.”

8. For its case under section 5(4)(a) of the Act, the applicant relies on the sign CME, which it states has been used in the UK since at least 1979. Use is claimed for financial services, financial exchange services and related software and services. It submits that the applicant enjoys a reputation for these goods and services, which are identical or similar to those of the proprietor and that the respective marks are similar. As a consequence there would be a misrepresentation *“whereby the public would believe that the Registered Proprietor’s business is that of the Applicant’s, or is closely connected to it or related to it in some way”*. The applicant concludes that use of the proprietor's marks would likely cause damage to the applicant's goodwill and would amount to passing off in the UK.

I note that the applicant refers to a family of marks throughout its evidence and submissions but has not made a specific pleading to that effect. Under all of its grounds of cancellation it relies upon the mark CME and it is on that basis I will proceed.

9. The proprietor filed counterstatements in respect of both marks, in which it denies the grounds of invalidation. In both cases it requests the applicant to provide proof of use of CME in the relevant territory, for the relevant period. It also requests proof of reputation and use of CME since 1979.

10. The applicant filed evidence and a skeleton argument. The proprietor filed written submissions and a skeleton argument. A hearing took place by video conference where the proprietor was represented by Mr Ryan Pixton of Kilburn and Strode LLP. The applicant was represented by Mr Julius Stobbs of Stobbs IP.

11. Both sides seek an award of costs.

The earlier marks

12. Section 47 of the Act provides as follows:

“47 (2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A)* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

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

“6.-(1) In this Act an ‘earlier trade mark’ means -

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

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

14. The marks relied upon by the applicant are earlier marks, which are subject to proof of use because, at the date of the applications for invalidation, they had been registered for five years.¹

15. The relevant period is the five year period ending on the date of application for invalidation, namely 29 January 2011 to 28 January 2016.² The onus is on the applicant under section 100 of the Act to show use of their mark during this period in respect of those goods and services on which it seeks to rely. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use.

16. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the principles derived from the case law on genuine use of trade marks. He said:

¹ See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004: SI 2004/946) which came into force on 5th May 2004.

² Applications against both of the proprietor’s trade marks were filed on the same date, 28 January 2016.

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

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

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

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

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

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to

create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

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

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

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

17. I also bear in mind Arnold J’s comments from the same decision with regard to use of a mark in the Community, where he concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and

national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issue in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the

Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use.”

18. The General Court restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

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

- i) The scale and frequency of the use shown;
- ii) The nature of the use shown;
- iii) The goods and services for which use has been shown;
- iv) The nature of those goods/services and the market(s) for them;
- iv) The geographical extent of the use shown;

Applicant's evidence

Witness statement of Matthew J Kelly with exhibits MK1-MK34

20. Mr Kelly is the Managing Director and Chief Intellectual Property Counsel for the applicant. His statement is dated 11 August 2016.

21. Mr Kelly states that the applicant became Chicago Mercantile Exchange in 1919 and began using the name CME that same year. This is supported by exhibit MK1 which is a timeline of the history of the applicant. The timeline also states that CME became the first US exchange to go public when it listed on the New York Stock Exchange in 2002. He says of the applicant and its business:

“4. CME is one of the world’s leading financial institutions, which operates four exchanges: CME or Chicago Mercantile Exchange, CBOT or Chicago Board of Trade, COMEX or Commodity Exchange, and NYMEX or New York Mercantile Exchange. Originally founded in 1898 in the United States of America, CME became Chicago Mercantile Exchange in 1919 and started using the CME name that same year...CME’s operations extend globally with offices in the United Kingdom, United States, Ireland, Canada, Brazil, South Korea, Singapore, Japan, China, Hong Kong and India.

5. CME provides the world’s leading and most diverse international marketplace for the exchange, trading and clearing of financial derivative products, namely futures and options contracts, swaps and other over the counter products. Some products traded through CME include interest rates, equity indexes, foreign exchange (foreign currency), energy, agricultural commodities (cattle, pork and cheese), metals, weather and real estate.”³

22. Mr Kelly states that:

“6. After leading the industry in traditional pit or open-outcry trading, CME championed the idea of electronic trading of futures and options...”

³ A detailed list of traded products is provided at exhibit MK2.

8. Because more than 85% of all trading is electronic, technology is at the core of what CME does. Computer software, online services and software related services serve as the backbone for CME's electronic trading, exchange, matching, clearing and risk management services. Examples of CME's software and online applications include: CME GLOBEX, CME DIRECT, CME CORE, CME E-quotes, CME ClearPort, CME STP and CME DataMine (among others). The software can either be downloaded or provided in a non-downloadable format accessed via the CME website or through third party software vendors."

23. Mr Kelly states that the applicant's website and software provides access to CME applications and resources such as reviewing licenced market data, using risk management tools, complying with regulations, managing accounts and contacting the CME customer centre, which maintains a dedicated phone line for UK and EU customers operated from the CME London office.

24. Furthermore, he states that CME Global Command Centre (GCC) provides market operations, support and customer service for all electronic trading on CME GLOBEX and supports a trading matching engine, order routing market data interfaces and network connectivity.

25. Mr Kelly provides print outs and materials⁴ regarding CME's market data services. The exhibit includes the following description of the applicant's product:

*"You can access our futures and options market data directly via our Market Data Platform (MDP), which:
Offers a dual-feed, User Datagram Protocol multicast architecture;
Allows highly efficient message delivery;
Is designed for scalability and flexible customer redistribution of market data messages;
Is a dissemination platform able to process increasing rates of market data messages."*

⁴ Exhibit MK3

26. Mr Kelly states that the applicant's customers are located around the world and that its electronic trading platform can be accessed from more than 150 countries, including the UK. Its customers include individual traders, trading firms, banks, financial institutions, investment firms and market data providers located throughout the UK.

27. In April 2014 the applicant launched CME Europe - a clearing and trading exchange in London. Exhibit MK4 is a press release printed on 11 August 2016, taken from the applicant's website www.cmegroup.com. CME Europe is described as a London-based, wholly-owned subsidiary of CME Group which leverages the operations and expertise of the world's largest derivatives marketplace and is designed to meet evolving regional needs and trading practices.

28. Mr Kelly states that as of March 2016, more than 1.3 million contracts have been traded on CME Europe with a notional value of £96 Billion GBP with more than 10,000 contracts traded each day.

29. He also states that the applicant's interest rate products span the whole of the US dollar-denominated yield curve⁵ and that the applicant is a leader in the trading of foreign currencies, such as the British Pound, Euro, Japanese Yen, Swiss Franc, Canadian Dollar, Australian Dollar and New Zealand Dollar.

30. In respect of currency, Mr Kelly states that the Eurodollar was one of the most frequently traded products, particularly in the UK.

31. Exhibit MK8 is an article titled 'Interest Rates, Understanding Eurodollar futures', written by John W. Labuszewski. It has the CME Group mark at the top of the page and is not dated.

The article states:

⁵ Exhibit MK7 shows market data for these products but refers to the period Sept – Dec 2016, which is after the relevant period.

“Where once trading was largely conducted on the floor of the exchange using traditional open outcry methods during regular daylight hours – today, trading activity is largely conducted on the CME Globex® electronic trading platform on nearly an around the clock basis.”

32. Mr Kelly states that the applicant currently offers a suite of products for UK businesses and customers for the trading of foreign currencies involving the Eurodollar and British Pound. Exhibit MK9 is a page printed from the applicant’s website on 11 August 2016, concerning CME Europe. The list of products under the ‘FX’ (foreign exchange) tab includes, inter alia, British Pound/U.S. Dollar, Euro/U.S. Dollar and Euro/British Pound.

33. Mr Kelly provides a brief history of the applicant’s presence in the UK. The key points are as follows:

- 1979 First office in the UK in London (with 5 staff);
- 1992 GLOBEX® electronic platform launched;
- 1996 Applicant continued to expand. Moved to bigger premises;
- 2002 Applicant opened its first telecommunications hub in London to provide greater efficiencies for connectivity to London and UK customers;
- 2006 Joint venture with Reuters and acquisition of Swapstream (London based electronic trading company);
- 2008 Acquisition of Credit Market Analysis Ltd (London based provider of credit derivatives market data);⁶

⁶ See exhibit MK10

- 2011 Acquisition of Elysian Systems Ltd (London based provider of electronic trading systems for over-the-counter derivatives products);⁷
- 2011 Applicant launched CME Clearing Europe Ltd in London⁸ – a clearing house which operates under UK law and the European regulatory environment and is regulated by the Bank of England;
- March 2011 Managing Director of CME FX, Roger Rutherford, interviewed by 'Profit and Loss' magazine;⁹
- 2014 Applicant announced a long term sponsorship deal with Saracens Rugby Club. CME logo appears on the back of jerseys and one of the park entrances was renamed 'CME Group Gate';¹⁰
- 2014 CME Europe partnered with London Taxi Advertising to launch a marketing campaign featuring a fleet of CME branded yellow/black taxi cabs in London. A picture of the cab is provided at paragraph 31 as follows:



⁷ See exhibit MK11

⁸ See exhibits MK12 and MK13

⁹ See exhibit MK14

¹⁰ See exhibit MK15

- 2014 CME Europe launched European natural gas contracts;¹¹
- 2015 CME Europe announced the launch of cocoa futures on the CME Europe exchange as well as eight other European futures contracts;¹²
- 2016 CME Customer Forum hosted in London;¹³

34. Mr Kelly states that the applicant maintains four domain names and social media sites.¹⁴ The applicant currently has more than ten subsidiaries in the UK which contribute to its revenue and presence in the UK.

35. The applicant places advertisements in the Wall Street Journal Europe, The Economist and The Financial Times.¹⁵ Example advertisements, said to be from 2006-2015, are provided at exhibit MK29, though it is not clear where any of these have featured or when.

36. Press articles provided at MK30 and MK31 are dated between November 2008 and November 2015 and have featured in, inter alia, the Evening Standard, The Financial Times, Financial News, The Telegraph Online, London Evening Standard, London and Partners, PR News Wire UK, The Lawyer, Cambridge Network, Confectionary News, Risk Magazine, Futures and Options World, Public Ledger, Ageti Online and Trayport. Several of these articles relate to the launch of CME Europe in London:

- London Evening Standard, 28 April 2014, 'Futures giant CME Group launches London Exchange'.
- London & Partners, 28 April 2014, 'A major new exchange has been launched in London...'

¹¹ See exhibit MK17

¹² See MK18, MK19 and MK20

¹³ See MK22

¹⁴ See exhibit MK21

¹⁵ Circulation figures for the magazines are provided at exhibits MK26-MK28.

“CME Group, one of the largest exchange companies in the world, on Sunday April 27 launched CME Europe, a new London based exchange that will offer currency and commodity futures and derivatives products.”

- London South East, 14 July 2014, ‘CME Group, Thompson Reuters to Set Silver Benchmark’.

“Thompson Reuters, the data and news services, and exchange operator CME Group have been selected to oversee the new global silver price benchmark when the 117-year old London silver fix is disbanded in August, The London Bullion Market Association said Friday”.

37. With regard to advertising of CME, Mr Kelly states that over the last five years, the applicant has spent in excess of £10m on advertising in Europe and *“millions of British Pounds over the last five years on advertising...in the United Kingdom”*.

38. The CME website is accessed by users in the UK:

Visits from UK IP addresses:	www.CMEgroup.com:	www.CMEClearingEurope.com:
2015 (est.)	1,000,000+	15,000+
2014	1,000,000+	20,000+
2013	1,000,000+	7,500+
2012	900,000	0

39. Gross annual revenue figures are provided as follows:

Year:	Est. Annual Gross Revenue in the United Kingdom (in excess of):
2015	£200,000,000
2014	£150,000,000
2013	£100,000,000
2012	£75,000,000

2011	£25,000,000
2010	£5,000,000

40. The applicant is a member of a number of industry associations including, but not limited to:

- FOA (Futures and Options Association) based in London;
- AIMA (Alternative Investment Management Association) based in London
- FPL (FIX Protocol Limited) based in London
- ICMA (International Capital Market Association) based in London
- SFOA (Swiss Futures and Options Association)

41. The applicant sponsors, exhibits at and attends a large number of financial and exchange related conferences and trade shows each year at which it states it prominently uses the marks relied on. Lists of events are provided for 2010-2015.¹⁶ Taking 2010 as an example, 104 events are listed including financial events such as Euromoney FX in London and the London Futures Symposium as well as sporting events such as The Ryder Cup and an England v Pakistan test match in London. Events took place in the UK in London, Oxford and Edinburgh as well as in the wider European community in, inter alia, Paris, Berlin, Moscow, Seville, Brussels and Geneva. This pattern is repeated for each of the years for which data is provided.

42. The applicant's electronic trading platform, software, risk management services, financial trading services and clearing markets have been recognised by UK financial publications and associations, for example, 2015 Global Exchange of the Year and Global Clearing House of the Year (Global Capital Derivatives Awards Gala Dinner, September 2015, Banking Hall, London).¹⁷

¹⁶ Exhibit MK32 comprises a nine page list of events at which the applicant has participated.

¹⁷ Exhibit MK33 shows press coverage of those two awards.

Witness statement of Christinne A Filarski with exhibits CF1-CF7

43. Ms Filarski is an attorney at law, based in Chicago.¹⁸ Her statement is dated 14 August 2016. Her statement and exhibits are the result of what she describes as:

“...an investigation into the term IRSIA – interest rate swap index average on various internet search engines (including Google).”

Her investigation was conducted between 22 February 2016 and 22 July 2016.

44. Exhibit CF2 provides a definition of IRS (interest rate swap) printed from Investopedia:

“An interest rate swap is an agreement between two parties...where one stream of future interest payments is exchanged for another based on a specified principal amount.”

45. Exhibits CF3 – CF5 define an index average. Essentially a financial index typically refers to a statistical measure of change in a securities market. Different averaging methods can be used to establish the index.

46. At paragraph 5 of her statement, Ms Filarski states that she has identified several third parties using interest rate swap and index average descriptively:

6. The registered proprietor [of the contested marks] uses the term IRSIA as an abbreviation for the generic terms ‘interest rate swap index average’...The registered proprietor uses the term IRSIA descriptively and in the context of one of its products being based on an ‘interest rate swap index average’.¹⁹

¹⁸ She is not the applicant’s representative.

¹⁹ See exhibit CF7

47. CF6 is filed in support of that statement. The exhibit shows two examples of interest rate swap abbreviated to IRS on the first two pages. The remaining five pages refer to EONIA (Euro Overnight Index Average), RONIA (Repurchase Overnight Index Average) and SONIA (Sterling Overnight Index Average).

48. That concludes my summary of the evidence to the extent that it is necessary.

Proof of use and fair specification

49. First, I have to identify, as a matter of fact, whether the trade mark relied on by the applicant has been put to genuine use and, if so, in respect of which goods and services. Having reached a conclusion on that point, I must then go on to decide what constitutes a fair specification for any use made.

50. The proprietor makes the following points in respect of the applicant's evidence:

- Many of the documents provided by Mr Kelly are either undated or are dated outside the relevant period.
- Much of the evidence relates to use outside the relevant territory, for example trade mark registrations in countries other than the UK.
- There has been little explanation of the goods and services in relation to which the evidence is purported to demonstrate use or reputation.
- There is reference made to 'a family of marks' but the evidence does not support it.

51. In its skeleton argument the applicant responds to the points made by the proprietor. It points to numerous exhibits within exhibits MK30-33, which are dated within the relevant period. The applicant states that its CME marks are used in the UK for providing a marketplace for the exchange, trading and clearing of financial derivatives products, including providing for these services via an electronic trading platform, which is available in either a downloadable or non-downloadable format.²⁰

²⁰ See MK2 paragraphs 6-9.

The applicant states that this use, “*supports the full range of services in class 36 in the Applicant’s earlier marks*”.

52. The applicant’s mark is shown in evidence in a number of forms including:



It is this mark which appears on all of the applicant’s dedicated contract market lists, press releases and some of its advertising. The totality of the evidence shows that the applicant is variously referred to as CME and CME Group. Press releases and articles show that CME Europe is the applicant’s business based in London. The evidence shows the applicant also regularly uses CME Europe and the plain letters CME in the text of press releases, press articles, in its advertising and on its own website, when describing its own products and its business.

53. In *Nirvana Trade Mark*²¹, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

²¹ *BL O/262/06*

54. In *Colloseum Holdings AG v Levi Strauss & Co.*²², , which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

²² *Case C-12/12*

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1)” (emphasis added).²³

55. With regard to the form in which the applicant has used its mark, there is some use of CME solus. This is primarily use by third parties referring to the applicant in press and trade articles as CME. The applicant’s own use shows CME alongside a descriptor, such as ‘Group’ or ‘Europe’. The addition of these descriptive elements does not alter the distinctive character of the applicant’s CME mark and it is CME which would still be perceived as the originator of the goods and services by the average consumer. In other words, such use can be considered use of the mark as registered.

56. It is clear that the applicant has an international presence in respect of trading and it is clear that the business began in the US. The evidence shows that the applicant launched its online trading platform in 1992 and was listed on the New York Stock exchange in 2002. The applicant’s exchange services are accessed either via non-downloadable software, or by purchasing the specific software which would allow access to the exchange. It can be accessed from 150 countries worldwide. No figures have been provided to show turnover or advertising spend in the US or in any European territories other than the UK.

57. I accept that CME’s UK office opened in London in 1979²⁴ but there is no evidence of turnover, advertising or sales between 1979 and 2010. The applicant has not provided any evidence of sales of software, such as invoices, but figures have been provided from 2010 in respect of revenue and advertising. It is clear that from 2010 onwards the applicant has generated significant revenue in the UK, amounting to hundreds of millions of pounds a year (£5m+ in 2010, rising to £200m+ in 2015) and

²³ See also *Castellblanch SA v OHIM, Champagne Louis Roederer SA* [2006] ETMR 61 (General Court)

²⁴ In an interview in the *London Evening Standard* (page 3 of exhibit MK30), Terry Duffy – Executive Chairman and President of CME states that the company has had an office in London since 1982.

it has spent many millions on advertising, including a campaign to advertise CME Europe on London Taxi livery and the sponsorship of Saracens Rugby Club, both in 2014.

58. The nature of the financial exchange market is such that exchanges are located in major cities such as, inter alia, New York, Tokyo and London. As a consequence, I do not find the applicant's use for financial exchange services, physically based in London, means that its use is confined to that geographically small area of the UK. Exchanges are accessed electronically and it is clear from the evidence that the applicant has been providing an electronic exchange since as early as 1992.

59. It is also clear that the exchange in London is directed at the EU market²⁵ and that it trades in European futures (including European currencies)²⁶ and offers a European Clearing House²⁷ which operates under UK and European law.²⁸

60. I find that the applicant has shown genuine use of its mark, during the relevant period, for the provision of goods and services related to financial exchanges and that the totality of the evidence points to an undertaking engaged in a not insubstantial trade.

61. With regard to a fair specification, there is no evidence that the applicant has provided or currently provides 'computer hardware for use in providing financial exchange services'. I proceed on the basis that use of the earlier marks has been shown for the following specifications:

UK1278521

Class 36

Exchange services relating to the trading of commodities, futures and options; all included in Class 36.

EU4035713

²⁵ See MK30

²⁶ See MK2

²⁷ See MK12

²⁸ See MK13

Class 9

Computer software for use in providing financial exchange services.

Class 36

Financial exchange services.

Class 42

Providing temporary use of non-downloadable software for use in providing financial exchange services.

62. In reaching such a conclusion, I have borne in mind the decisions in cases such as *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*²⁹ and *Roger Maier and Another v ASOS*³⁰, which held that specifications should reflect the perceptions of the average consumer of the goods and services concerned.

DECISION

63. I will deal first with section 5(2)(b) of the Act which reads as follows:

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

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

5(2)(b) case law

64. 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*

²⁹ *BL O/345/10*

³⁰ *[2015] EWCA Civ 220*

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.

The average consumer and the nature of the purchasing act

65. In accordance with the above cited case law, I must determine who the average consumer is for the goods at issue and also identify the manner in which those goods will be selected in the course of trade.

66. 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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

67. The applicant states the following, with regard to the average consumer:

“13...the average consumer is a professional in the financial services sector. As the goods and services covered in the marks in question are intended for professionals, the relevant public must be deemed to be composed only of professionals.”

68. In support of this submission the applicant draws my attention to *Dainichiseika Colour & Chemicals Co. v OHIM*³¹, which dealt with specialist products such as semi-processed plastics. Paragraph 60 of that decision states:

“In those circumstances and in the light of the nature of the products in issue, which are described in paragraphs 3 to 5 above, the Court of First Instance considers that account should be taken of such a specialised public when comparing the marks at issue. Moreover, such a finding accords with the statements the parties made during the hearing, as recorded in the minutes of the hearing. Given that those marks are Community trade marks, account must be taken of that public throughout the entire European Union. In addition, the fact that the relevant public is specialised in the sector of the products in question implies that it is likely to take great care in the selection of those products.”

69. I agree with the applicant that the average consumer will be a professional in the financial services sector. The purchasing act is likely to be primarily a visual one as the goods will be selected, for the most part, online. However, I do not ignore aural considerations as advice may be sought or recommendations made, prior to purchase. The level of attention paid to these types of services will be high, as a financial trader is likely to be dealing with large amounts of money and so will be careful in their election of exchange services.

Comparison of goods and services

70. The goods and services to be compared are as follows:

³¹ T-389/03 paragraphs 56-60

The applicant's goods and services	The proprietor's services
<p>UK1278521</p> <p>Class 36</p> <p>Exchange services relating to the trading of commodities, futures and options; all included in Class 36.</p> <p>EU4035713</p> <p>Class 9</p> <p>Computer software for use in providing financial exchange services.</p> <p>Class 36</p> <p>Financial exchange services.</p> <p>Class 42</p> <p>Providing temporary use of non-downloadable software for use in providing financial exchange services.</p>	<p>IRSIA CMI</p> <p>Class 36</p> <p>Calculation, Provision and dissemination of financial benchmark indices; the provision of published information regarding financial indices in connection with officially quoted futures contracts; calculation of, and provision of an interest rate swap index average; the provision of a financial index for the purpose of interest rate swap future contracts; the provision of cleared and settled derivatives indices regarding products and information services relating thereto; services for the exchange of traded financial instruments and/or products and the provision of information relating thereto: provision of interest rate swaps and information services relating thereto; provision of constant maturity index in regards to constant maturity future contracts; and information services relating thereto; provision of financial information; regarding contracts on futures; financial exchange services; the provision of constant maturity future contracts traded via the Internet.</p> <p>IRSIA CMF</p> <p>Class 36</p> <p>Services for the exchange of traded financial instruments and/or products and the provision of information relating thereto: provision of interest rate swaps and information services relating thereto; provision of constant maturity future contracts provided via financial services</p>

The applicant's goods and services	The proprietor's services
	and information services relating thereto; calculation of, and provision of an interest rate swap index average; provision of financial information regarding contracts on futures; financial exchange services; the provision of constant maturity future contracts traded via the Internet; the provision of cleared and settled derivatives products and information services relating thereto; provision of financial benchmark indices; the provision of published information regarding financial indices in connection with officially quoted futures contracts.

71. The applicant states the following with regard to the similarity of services in class 36:

“7. The class 36 coverage in the CME Marks is identical to the class 36 services in UK Trade Mark No. 3097543 IRSIA CMI and UK Trade Mark No. 3097531 IRSIA CMF. A ‘financial exchange’ is a marketplace where financial derivative products are exchanged and traded (see paragraph 5 of the Witness Statement of Matthew J. Kelly). Products that can be traded include interest rates, equity indexes, foreign exchange (foreign currency), energy, agricultural commodities (cattle, pork and cheese), metals, weather and real estate (see paragraph 5 of the Witness Statement of Matthew J. Kelly and Exhibit MK2). ‘Indices’ or ‘index’ are terms used interchangeably in finance and refer to an imaginary portfolio of securities representing a particular market or portion of it — they are a type of financial derivative product and they can be traded on a ‘financial exchange’. Moreover, an ‘interest rate swap’ is a financial derivative instrument (see paragraph 54 of the Witness Statement of Matthew J. Kelly). This can also be traded on an exchange.”

72. At the hearing, the proprietor's representative submitted that some of the services are identical and none are dissimilar, but provided no further detail. In comparing the specifications, I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, Case T-133/05:

“29. ...goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

73. In light of the evidence filed and the submissions made at the hearing, I find that the proprietor's class 36 services are identical to the class 36 services in both of the applicant's specifications for its earlier marks. Since the applicant's goods and services in classes 9 and 42 of its EU trade mark can achieve no greater similarity than that already achieved in class 36, I need not go on to make those assessments.

Comparison of the marks

74. 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.”

75. It would be wrong, therefore, artificially to 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.

76. The marks to be compared are as follows:

The applicant's marks	The proprietor's marks
CME	IRSIA CMI
	IRSIA CMF

77. The proprietor's marks are both presented in plain block capital letters with no additional stylisation. They both begin with the letters IRSIA and are followed by three letters, CMI and CMF respectively.

78. With regard to the IRSIA element, present in both marks, the applicant submits:

“Whilst the overall impression of the marks is the right approach, the impact of the IRSIA element can be discounted as the average consumer (a knowledgeable professional in the financial services sector) will understand this term as if it were ‘cash’ or ‘credit’ for example. Therefore the most important assessment falls between the CMI and CMF elements of the Proprietor’s marks and the CME element of the Applicant’s marks.”

79. The proprietor submits:

“The applicant has failed to demonstrate how or why the presence of the letters IRSIA in the [proprietor’s] marks does not allow the marks to be distinguished.”

80. The applicant has provided definitions of ‘interest rate swap’, ‘index’ and ‘average’³² and has shown some examples of ‘index rate swap’ and ‘index average’ used by third parties in the financial services sector.³³ The examples of ‘index average’ are for the most part used as parts of longer acronyms, such as RONIA and SONIA and there are no examples provided of use of the letters IRSIA, by any party other than the proprietor.

81. The evidence does not show that IRSIA is a well-known and commonly used acronym in the financial services field. I accept that IRSIA is made up of five letters which themselves include acronyms used in the financial sector, but the letters require a degree of unpacking in order to determine their meaning.

82. The CMI and CMF elements have not been shown to have any meaning.

83. In conclusion, in the case of both of the proprietor’s marks, the distinctiveness rests in the marks as wholes and it is the whole marks in each case which create the overall impression.

84. The opponent’s mark consists of the three letters CME in capital letters with no stylisation. Consequently, the overall impression rests in the mark as a whole.

Comparison of the marks

85. The applicant compares the marks purely on the basis of its three letter mark CME compared to the last three letters of both of the proprietor’s marks. I do not accept that this is the correct approach. The assessment must be made in accordance with the

³² Exhibits CF2-CF5

³³ Exhibit CF6

case law outlined above, comparing the marks as wholes, taking account of their distinctive and dominant elements.

Visual and aural similarity

86. In its submissions³⁴ the proprietor makes the following points:

“14... Visually, the marks share only two letters in common, the letters CME which form the sixth and seventh letters of the registered proprietor’s marks under attack, and the first two letters of the applicant’s mark. They differ in six letters of the registered proprietor’s marks which are found nowhere in the applicant’s marks. Furthermore, the ending of both of the marks the subject of the invalidation actions differ from the endings of the applicant’s marks. In effect, the applicant is arguing a visual similarity based purely on two shared letters which are buried within the registered proprietor’s marks.

15. Phonetically, there can be no question that the marks can be distinguished.”

87. I agree with the proprietor that there is a similarity between the respective marks in that each is or incorporates a three letter element, the first two letters of which are identical.

88. Visually the proprietor’s marks begin with the letters IRSIA, which are not present in the applicant’s marks. Aurally, the letters IRSIA may be pronounced ERR-SEE-A or, less likely, may be pronounced by sounding the individual letters, but in either case, this element is not present in the applicant’s marks. The common letters C and M are followed by ‘I’ and ‘F’ respectively in the proprietor’s marks and by the letter ‘E’ in the applicant’s marks. The three letter parts of the respective marks will be sounded out by the average consumer as individual letters, since none of these acronyms lend themselves to being pronounced as words in their own right. Aurally, the final letters in each case do not sound the same.

³⁴ Dated 26 September 2016

89. I take the applicant's point, made by Mr Stobbs at the hearing, that the proprietor's CMF mark looks more similar to the applicant's CME mark than the 'CMI' portion of the proprietor's other mark, due to the fact that the three letters differ only in a horizontal line in the third letter. However, taking all of the other factors I have identified into account, I find the proprietor's marks in their totality to have a low degree of visual and aural similarity when compared to the applicant's CME marks.

Conceptual similarity

90. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.³⁵ The assessment must be made from the point of view of the average consumer.

91. The proprietor submits:

"Conceptually, the marks are neither similar nor dissimilar. There is no argument or evidence submitted by the applicant as to any conceptual meaning of the letters CMF or CMI in the registered proprietor's marks. Conceptually, the marks cannot be held to be similar".

92. The applicant submits in its skeleton argument that both parties' marks are fanciful and therefore are devoid of any meaning so that the conceptual comparison is not relevant. As before, this comparison was made on the basis of CMI and CMF compared to its own CME marks. The IRSIA element was not considered.

93. Conceptually, the average consumer will consider the parties' marks to be or include acronyms, though the first parts of the proprietor's marks, namely the 'IRSIA' part, will be pronounced in the manner I have described above, with the remaining letters sounded individually. I take note of the applicant's submissions that IRSIA will be well-known by the average consumer who is a professional in the financial services industry, but the evidence submitted by the applicant does not support such a finding.

³⁵ This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

I accept that IRS and IA may be familiar acronyms in their own right, as there is some evidence of this, but nothing has been provided that shows the combination is used by any party other than the proprietor. In any case, the proprietor's marks are not IRSIA solus, rather, they both have additional elements, CMI and CMF respectively. Even if the average consumer of the relevant services concluded that the first part of the proprietor's marks were evocative³⁶ of financial products, the marks in their totalities give no clear conceptual message. Consequently, I find the parties' respective marks are conceptually neutral.

Distinctive character of the earlier mark

94. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and/or services for which it has been used as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger*.³⁷

95. With regard to the distinctiveness of its mark the applicant states in its skeleton argument [reproduced as written]:

“35. The enhanced distinctiveness of the CME Marks, acquired through use, must be taken into account when determining whether the similarity between the signs or between the goods or services covered and it is sufficient to give rise to a likelihood of confusion. The enhanced distinctiveness of the Applicant's marks comes about because of the reputation the applicant enjoys in its CME Marks. The evidence in this case demonstrates that the Applicant has a reputation. The average consumer would also be aware of the Applicant's reputation in the financial services field.”

³⁶ See the comments of the General Court in *Ontex NV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 353/04*

³⁷ *Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.*

96. The applicant's CME marks are the initials of the company but have no obvious descriptive or allusive meaning and are possessed of a good level of inherent distinctive character. Despite having no obvious meaning I am not able to find a high level of inherent distinctive character as would normally be the case for invented words. This is because the marks are not pronounceable and consist of a three letter acronym of the type that the average consumer is used to seeing being used by companies and individuals.

97. Turnover figures for the UK given by Mr Kelly in the applicant's first witness statement are significant, rising from £5m in 2010 to £200m in 2015. The figures relate to financial exchange services. It is clear that the applicant has increased its business in the UK since launching an exchange in London in 2014, though I have no indication of the size of the relevant market in class 36. Taking into account all of the evidence, including UK press articles which describe the applicant as a 'Futures giant', I find that the applicant has enhanced the distinctiveness of its CME marks, in the UK, through the use made of them. With regard to the earlier EUTM, there is insufficient evidence to show that the distinctive character of the mark has been enhanced through use.

Likelihood of confusion

98. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.³⁸ I must also keep in mind the average consumer for the services, the nature of the purchasing process and have regard to the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa.

99. I have found the marks to be visually and aurally similar to a low degree and to be conceptually neutral. The parties' services are identical.

100. I have identified the average consumer, namely a professional in the financial services industry and have concluded that the level of attention paid to the purchase

³⁸ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

will be higher than average. The purchasing process is primarily a visual one, though I do not rule out an aural element.

101. These marks are of a type that the average consumer is used to encountering in respect of the financial services industry. The evidence filed by the applicant clearly shows that the market in question uses many acronyms to represent, inter alia, currencies, exchanges, financial products and businesses. Furthermore, the average consumers of these services, a professional in financial services, is used to distinguishing between them. Given the higher than average level of attention likely to be paid to these purchases and the low level of similarity between the marks, taking all other factors into account, including the higher level of distinctive character of the earlier marks, I find there is no likelihood of confusion between these marks. Furthermore, these are not the types of marks where there would be an obvious brand extension link, the proprietor's marks are IRSIA followed by a three letter acronym, being CMI or CMF. The applicant's marks are a different three letter acronym. The average consumer would not conclude that these services originated from economically linked undertakings.

102. In reaching this conclusion I would add that even if the applicant were found to be correct in its assertions that IRSIA is entirely descriptive in the financial services industry (and I do not find that the evidence supports such a finding), I would still have concluded that there is no likelihood of confusion between the parties' marks. The evidence shows that the financial services industry uses a large number of acronyms, which professionals in the field are used to distinguishing between. In a case such as this where the purchase requires a high level of attention to be paid and where a third of the mark in a three letter mark is different,³⁹ there is no likelihood of confusion.

The applicant's case based on section 5(3) of the Act

103. Section 5(3) states as follows:

³⁹ *With regard to the visual similarity I take account of Mr Purvis, sitting as the Appointed Person in Hachette Filipacchi Presse SA v Ella Shoes Ltd, BL O/277/12.*

“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...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.”

104. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. 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 Saloman*, 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*.

(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 on 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*).

105. Under this ground, the applicant relies on the same marks and evidence as it did in support of its objection under section 5(2) of the Act. In order to get a case off the ground, under section 5(3), the opponent must prove that its earlier mark has a reputation. Reputation in this context means that the earlier trade mark is known by a significant part of the public concerned with the goods covered by that mark.

106. Earlier in this decision, in my consideration of the applicant's evidence I concluded that the applicant had shown genuine use of its CME marks and that it had enhanced the distinctive character possessed by its marks due to the use made of them. I am satisfied from the evidence provided that a significant part of the public concerned, in this case, a professional in the financial services sector, would know the applicant's marks. In the UK, the use is centred on London, where the applicant established a financial exchange in 2014, but, taking into account the nature of the financial exchange markets, this would appear to be consistent with common practice in the trade. The evidence clearly indicates that such exchanges are, for the most part, in London, though the trading itself can take place anywhere, given that the exchange platforms at issue are electronic.

107. The applicant clearly promotes its marks in a number of high profile ways such as ongoing advertising campaigns on the livery of London taxis and the sponsoring of Saracens Rugby Club. In addition, its turnover is considerable.

108. Given my findings, in the context of the relevant case law outlined above, I find the applicant has shown the necessary reputation.

The link

109. In determining whether the relevant public would make the necessary link between the parties' respective marks, I bear in mind *Adidas-Salomon*⁴⁰, in which the CJEU held that:

⁴⁰ *Case C-408/01*

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

110. And *Intra-Press SAS v OHIM*⁴¹, in which the CJEU stated that:

“72. The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

⁴¹ *Joined cases C-581/13P & C-582/13P*

111. In my view, despite the reputation that the applicant has shown in respect of its marks, the CME marks are not sufficiently similar to the proprietor's IRSIA CMI and IRSIA CMF marks for the relevant section of the public to make a link between them. The relevant public will be professionals in the financial sector. They will be paying a high level of attention and are used to distinguishing between such marks. In my view, supported by the evidence, the relevant public is not going to make a link between CME and IRSIA CMI or between CME and IRSIA CMF.

112. The application under section 5(3) of the Act fails.

The applicant's case under section 5(4)(a) of the Act

The law

113. Section 5(4) of the Act states:

"5(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...

(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."

114. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

115. Parker J in *Burberrys v J C Cording & Co Ltd* [1909] 26 RPC 693 said:

“The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other’s injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but the property in the trade or goodwill which will be injured by its use. If the use of a word or a name be

restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or is calculated to injure another in his trade or business.”

116. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

117. Commenting on *South Cone* in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying

down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

The relevant date

118. Whether there has been passing off must be judged at a particular point (or points) in time. In the decision of the Court of Appeal in *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220 it was stated:

“165. ...Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury- Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

119. The above related to a community trade mark, however, the same applies to a UK national trade mark.

120. The filing date of the subject trade marks is 4 March 2015. There is no evidence or claim by the proprietor that it has used its mark prior to this. Accordingly, the matter need only be assessed as of that date.

Goodwill

121. The first hurdle for the applicant is to show that it had the required goodwill at the relevant date. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage 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.”

122. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used ‘but had not acquired any

significant reputation' (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

123. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small.⁴²

124. It is clear from the evidence provided by the applicant that it has conducted business in the UK for a number of years. As I have stated above, there is little evidence to show the extent of the business before 2010, from which date turnover figures have been provided. The business since 2010 has clearly generated millions of pounds per year in the UK and since 2014, when the applicant launched an exchange in London, its turnover has increased significantly, as has the nature of its advertising, which includes sponsorship of Saracens Rugby Club and advertising on London Taxi Cab livery.

125. Taking all of the evidence into account, I find that CME was distinctive of the opponent's goodwill at the relevant date, and was sufficient to be protected under the law of passing off. A fair characterisation of its business is as a provider of financial exchange services.

126. The sign CME is used for the most part in plain text in descriptions of the services and in press articles. It is also used with other non-distinctive matter such as 'Europe' and 'Group'. Overall, the use shown is such that the letters CME per se are distinctive of the business in which the applicant has goodwill.

Misrepresentation

127. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“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.*

⁴² See *Stacey v 2020 Communications* [1991] FSR 49, *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

[1990] R.P.C. 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 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

128. There is one possible difference between the position under trade mark law and the position under passing off law. In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that "a substantial number" of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be normative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes.

129. In making a finding on the issue of misrepresentation, I bear in mind that it is the applicant's customers or potential customers who must be deceived. In *Neutrogena Corporation and Another v Golden Limited and Another*,⁴³ Morritt L.J. stated that:

"This is the proposition clearly expressed by the judge in the first passage from his judgment which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff's customers or potential customers had been deceived for there to be a real effect on the plaintiff's trade or goodwill."

⁴³ [1996] RPC 473

130. There is a difference between mere confusion and deception in passing-off cases. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*,⁴⁴ Mr Iain Purvis QC, as a Recorder of the Court stated that:

“54. Mr Aikens stressed in his argument the difference between ‘mere wondering’ on the part of a consumer as to a trade connection and an actual assumption of such a connection. In *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17 Jacob LJ stressed that the former was not sufficient for passing off. He concluded at 17:

‘This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former’.”

131. In *Harrods Limited v Harroddian School Limited* [1996] RPC 697 (CA), Millet L.J. stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services.”

132. The applicant’s goodwill rests in services which are identical to those in the proprietor’s specification. The customers in question are professionals in the financial services sector who are used to encountering marks and signs in the form of acronyms and are used to distinguishing between them. Taking all of the relevant jurisprudence into account and having considered the evidence in detail, I find that use of the applicant’s IRSIA CMI and IRSIA CMF marks would not lead to a substantial number of the public being deceived as to a connection between the parties and their services. In other words, there will be no misrepresentation.

⁴⁴ [2013] EWPC 18 (PCC)

133. The application based on section 5(4)(a) of the Act fails.

CONCLUSION

134. The applications for invalidation against both of the proprietor's marks have been unsuccessful under sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

COSTS

135. The applications having failed, the proprietor is entitled to a contribution towards its costs. I award costs on the following basis:

Preparing a statement and considering the other side's statement x 2	£600
Preparing submissions / considering and commenting on the other side's evidence:	£600
Preparing for and attending a hearing:	£500
Total:	£1700

136. I order Chicago Mercantile Exchange Inc. to pay Global Derivatives Indices Limited the sum of £1700. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11TH day of May 2017

**Ms AI Skilton
For the Registrar,
The Comptroller-General**