

O-023-18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3198634
BY AISTUDIO.COM LIMITED FOR THE TRADE MARK**



IN CLASSES 9 AND 42

AND

**THE OPPOSITION THERETO UNDER NUMBER 408663
BY
IStudio LLC**

Background

1. On 24 November 2016, AISTUDIO.COM LIMITED (“the applicant”) filed trade mark application number 3198634 for goods and services in classes 9 and 42, as follows:



Class 9: *Application software for cloud computing services; Application software for mobile phones; Application software for smart phones; Application software for smart TV; Artificial intelligence apparatus*¹.

Class 42: *Software programming and implementation; Software creation; Software authoring; Software engineering; Software customisation services.*

2. The application was accepted and published in the *Trade Marks Journal* for opposition purposes on 2 December 2016. ISTUDIO LLC (“the opponent”) opposes the application under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), relying upon the following earlier trade mark registration:

3038771

iStudio

Class 9: *Electronic devices for data processing, for indicating the interaction of fields, for information processing, for the transmission of data between computers, for the transmission of data between microprocessors, for transmitting data, for telephone exchanges, for cards incorporating electronic chips; network protection devices (electronic); reading devices for cards incorporating electronic chips;*

¹ The class 9 specification was amended from that originally filed by way of a Form TM21B, filed on 3 October 2017.

Information storage devices (electric or electronic) Interfaces for computers; Computer memory devices.

Date of filing: 22 January 2014; completion of registration procedure: 27 June 2014.

3. The opponent claims that the marks, the goods and the services are similar, and that there is, therefore, a likelihood of confusion under section 5(2)(b).

4. The applicant filed a defence and counterstatement, denying the ground of opposition.

5. The opponent is represented by Trademarkers Merkenbureau C.V., operating from the Netherlands. The applicant is represented by Taylor Wessing LLP. Neither requested a hearing, but both filed written submissions in lieu of a hearing (the opponent's merely stating reliance on the full submissions made in its statement of grounds). In making this decision, I take into account the parties' pleadings and written submissions.

Decision

6. 5(2)(b) of the Act states:

“(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.”

7. The following principles are gleaned from the decisions of the Court of Justice of the European Union (“the CJEU”) in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

8. The opponent's earlier mark had been registered for less than five years on the date on which the contested application was published. It is not, therefore, subject to the proof of use provisions under section 6A of the Act. The consequence of this is that the opponent may rely upon all the goods covered by the registration without having to prove that it has made genuine use of them.

9. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

10. ‘Complementary’ was defined by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

11. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

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

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

13. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

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

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

14. The goods and services to be compared are shown in the table below.

Earlier mark	Applicant's goods and services
<p><i>Class 9: Electronic devices for data processing, for indicating the interaction of fields, for information processing, for the transmission of data between computers, for the transmission of data between microprocessors, for transmitting data, for telephone exchanges, for cards incorporating electronic chips; network protection devices (electronic); reading devices for cards incorporating electronic chips; Information storage devices (electric or electronic) Interfaces for computers; Computer memory devices.</i></p>	<p><i>Class 9: Application software for cloud computing services; Application software for mobile phones; Application software for smart phones; Application software for smart TV; Artificial intelligence apparatus.</i></p> <p><i>Class 42: Software programming and implementation; Software creation; Software authoring; Software engineering; Software customisation services.</i></p>

15. The applicant submits that its goods and services are for artificial intelligence. With the exception of "artificial intelligence apparatus", none of its goods and services are limited to this field. I note that, again with the exception of "artificial

intelligence apparatus”, all the applicant’s goods are software and its services all relate to software. In contrast, the opponent’s goods are hardware.

16. Artificial intelligence is the mimicking by machines of ‘human’ cognitive responses in relation to certain data. To perform this function, there must be transmission of data. Although the nature and purpose of the parties’ goods are not the same there is an element of complementarity (one-way) as artificial intelligence cannot operate without apparatus to process and transmit data. I consider the applicant’s *artificial intelligence apparatus* to be similar to a low degree to the opponent’s *electronic devices...for data processing [and] for transmitting data*.

17. The remainder of the applicant’s goods are application software (‘apps’). They are different in nature and purpose to hardware. However, there is complementarity in that apps need hardware to function, and hardware needs software to function. It is common to find the same undertakings responsible for hardware and software, so there is a shared trade channel element to the comparison. There is a medium degree of similarity between the parties’ goods.

18. The applicant’s services in class 42 are all software-related. The nature of goods and services differ, as do purpose and method of use. The earlier mark’s goods and the applicant’s services are not complementary and not in competition. There may be an element of shared trade channels in that manufacturers of hardware for data transmission and processing will develop bespoke software for customers’ individual requirements. I consider the similarity between the parties’ goods and services to be low.

The average consumer and the purchasing process

19. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. The goods and services of both parties are technical, for the most part potentially expensive, potentially with long-term important


applications and will be purchased only after exercising an reasonable degree of care and attention to ensure e.g. compatibility, price, functionality etc. In some cases, considerable care will be taken. The perception of the marks during the selection process will be primarily visual, on the basis of e.g. advertisements, company literature and websites, but I do not ignore the possibility of oral use of the marks during the purchasing process.

Comparison of marks

20. 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 Court of Justice of the European Union 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.”

21. 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. The marks to be compared are:

Earlier mark	Applicant’s mark
iStudio	

22. The earlier mark consists of two recognisable, conjoined components: the letter 'i' and the word 'Studio'. The word 'studio' is the dominant element in the overall impression of the earlier mark. The applicant's mark is more complex, consisting of a device element to the left of the word component, which is composed of the capital letters AI, which are larger than the conjoined word Studio. The eye is drawn to the letters AI as they are central to the mark and larger than the word Studio. Of equal dominance is the device, which is the most distinctive element in the mark. The overall impression is dominated by equally by the device and the capital letters AI.

23. The clearest point of visual similarity is the word Studio, which is common to both marks. The word Studio is preceded in both marks by the letter I, which is a further point of similarity but of lesser impact owing to its brevity. The points of visual difference are that the beginning of the applicant's mark is dominated by the device and the capital letters AI. The device and the letter A are alien to the earlier mark. Although Studio in both marks is preceded by the letter 'I', the presentation of the AI element, in different boldness and a different size to Studio has the effect of creating the impression that the A and the I are companion letters. There is a low degree of visual similarity between the marks.

24. The marks are more similar aurally because the device will not be articulated. This means that the only point of aural difference is the A at the beginning of the word element of the applicant's mark. The marks each contain four and five syllables, respectively. The second, third, fourth and fifth syllables of the applicant's mark are identical in sequence to the whole of the earlier mark. However, the first syllable of the later mark is different to the later mark. I bear in mind that the beginning of a mark has, as a rule of thumb, the greatest impact on the ear. I find that there is a medium degree of aural similarity between the marks.

25. The applicant submits that the device in its mark is "a distinctive icon which refers to the scientific sign for "greater than or equal to"." I doubt that the average consumer would interpret the device this way. This is for two reasons; firstly, it is more common to encounter the sign in a mathematical context, and there is no number or equation following the device in the applicant's mark. Secondly, the presence of the horizontal 'i' beneath the 'arrow' reduces the likelihood of the arrow

being interpreted as a mathematical symbol. I think that, if it is interpreted, it is likely to be seen as a stylised reference to the letters AI which follow it.

26. The letter ‘i’ has the potential to signify interactive or internet, depending on the other elements of the mark. The concept of the earlier mark could be seen as an interactive or an internet studio or workshop which is interactive or in which the internet is the defining feature. It could also be seen (particularly aurally) to a reference to the ‘eye’. It is possible that consumers will be unaware of ‘i’ signifying internet or interactive, in which case the mark will have the meaning of studio, codified by an ‘i’, unrelated in meaning. The letters AI in the applicant’s mark may be interpreted as the abbreviation for artificial intelligence. The conjunction of the AI and Studio creates the meaning of a studio or workshop environment in which artificial intelligence is the defining feature. Although both marks contain the idea of a ‘studio’, the different potential meanings of ‘i’ and ‘AI’, which qualify the word ‘studio’, are significant points of difference. Overall, there is a low level of conceptual similarity between the marks.

Distinctive character of the earlier marks

27. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*² the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

² Case C-342/97

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

28. The opponent has not filed any use of its mark, so I have only the inherent distinctiveness position to consider. I have given above my conceptual analysis of the earlier mark. If seen as a reference to the internet or interactive, the mark is, for the goods, of low distinctive character. If the mark is not interpreted this way, but is merely seen as ‘studio’ with a letter ‘i’ which is unrelated in meaning, the distinctive character of the earlier mark is average.

Likelihood of confusion

29. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). The parties’ goods are similar to a medium and low degree, whilst the applicant’s services are similar to the opponent’s goods to a low degree. I have also found that the marks are similar to a low degree visually and conceptually and have different dominant components. The high point of the opponent’s case, in terms of similarity between the marks, is the medium level of aural similarity. However, the goods and services will be considered and purchased primarily visually, meaning that the aural similarity is of less importance in the purchasing process. Factoring in the reasonable, and in some

cases considerable, degree of attention paid by the average consumer to the purchase, I find that there is no likelihood of confusion.

Outcome

30. The opposition fails. The application may proceed to registration.

Costs

31. The applicant has been successful and is entitled to a contribution towards its costs, based on the published scale (Tribunal Practice Notice 2/2016). I award the following costs to the applicant:

Considering the opposition and preparing a counterstatement	£650
Written submissions	£300
Total	£950

32. I order ISTUDIO LLC to pay AISTUDIO.COM LIMITED the sum of £950 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 9th day of January 2018

Judi Pike
For the Registrar,
the Comptroller-General