

O/724/19

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. UK00003054283

IN THE NAME OF PCAP LIMITED

FOR THE FOLLOWING TRADE MARK:

VELOCITY CAPITAL

IN CLASSES 36, 38 AND 42

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
UNDER NO. 502150 BY VELOCITY TECHNOLOGY SOLUTIONS INC**

BACKGROUND AND PLEADINGS

1. PCAP Limited (“the proprietor”) is the registered owner of the trade mark **VELOCITY CAPITAL** (“the Contested Mark”). The Contested Mark was filed in the UK on 5 May 2014 and was registered on 5 September 2014. It stands registered for the following services:

Class 36 Financial services provided via the Internet; Financial services in relation to disposing, providing, and managing working capital and cash flow in business transactions; Payment services involving electronic processing and subsequent transmission of receivables to other business units; Electronic financial services of debt.

Class 38 Electronic sending, supply of data and documentation via the Internet or other databases in relation to cash flow and working capital.

Class 42 Providing downloadable computer software that provides financial functions, namely, software that allows users to electronically view, dispose, and manage working capital and cash flow in business transactions; Providing computer software for managing cash flow and providing capital management in business transactions; Providing of access to electronic services relating to disposing, providing, and managing working capital and cash flow in business transactions; Application service provider for hosting computer software for managing cash flow and providing capital management in business transactions; Data processing for financial solutions.

2. On 11 July 2018, Velocity Technology Solutions Inc (“the applicant”) applied to have the Contested Mark declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The application is based upon section 5(2)(b) of the Act and the applicant relies on the following trade marks:

VELOCITY

EUTM no. 11801685

Filing date 8 May 2013; registration date 3 October 2013
("the First Earlier Mark")

VELOCITY OUTSOURCING

EUTM no. 11801701

Filing date 8 May 2013; registration date 3 October 2013
("the Second Earlier Mark")



EUTM no. 11801776

Filing date 8 May 2013; registration date 4 October 2013
("the Third Earlier Mark")

VELOCITY ZOOM

EUTM no. 12656765

Filing date 28 February 2014; registration date 30 September 2014

Priority date 7 October 2013

("the Fourth Earlier Mark")

3. The applicant relies upon all of the services for which the earlier marks are registered, as set out in the Annex to this decision. The applicant claims that there is a likelihood of confusion because the services are identical or similar, and the marks are similar.

4. The applicant also originally sought to rely upon section 5(3) of the Act. However, as no evidence in chief was filed by the applicant, the Registry wrote to the parties on 25 February 2019 to confirm that the application for invalidation based upon section 5(3) would be deemed withdrawn. The applicant was given a period of 14 days to put forward reasons as to why it should not be deemed withdrawn but, as no reasons were given, the application for invalidity now proceeds based upon section 5(2)(b) only.

5. The applicant is represented by HGF Limited and the proprietor is represented by Basck Limited. As noted above, no evidence in chief was filed by the applicant. However, the proprietor did file evidence in chief and the applicant filed evidence in reply. No hearing was requested, but both parties filed written submissions in lieu of attendance. This decision is taken following a careful perusal of the papers.

EVIDENCE

Proprietor's Evidence

6. The proprietor filed evidence in chief in the form of the witness statement of Mr Martin Stuart Macmillan dated 25 June 2019, which was accompanied by 5 exhibits. Mr Macmillan is the Director of the proprietor, a position he has held since 30 January 2018. I have read Mr Macmillan's evidence in its entirety. Mr Macmillan notes the number of other marks on the register that contain the word VELOCITY. Mr Macmillan also notes that the proprietor has never received a request from a potential client mistakenly believing that they were the applicant.

7. Mr Macmillan has provided a print of a Google search for the word 'velocity'. This returns both a definition and 7 links to businesses.¹ Most of these relate to different sectors to those for which the marks at issue in these proceedings are registered (such as the provision of zip line activities, marketing, vehicle management software and retail services).

8. Mr Macmillan has also provided information about three businesses which use the word VELOCITY in their names – Fintech Velocity, Velocity and Velocity Worldwide.² Fintech Velocity describes itself as a "New York area investment firm". Velocity describes itself as being "an intensive 6 month programme designed to support, mentor and showcase the best technology solutions within the asset management sector". It is not entirely clear what service is provided by Velocity Worldwide but it appears to relate to a marketing platform.

¹ Exhibit 2

² Exhibits 3, 4 and 5

9. Mr Macmillan's evidence was accompanied by written submissions dated 20 May 2019. As noted above, the proprietor also filed written submissions in lieu. I have taken these submissions into consideration and will refer to them below where necessary.

Applicant's Evidence

10. The applicant filed evidence in reply in the form of the witness statement of Mr Chris Heller dated 29 September 2019, which was accompanied by 2 exhibits. Mr Heller is the Senior Vice President and General Counsel of the applicant, a position he has held since October 2012. I have read Mr Heller's evidence in its entirety. Mr Heller's statement seeks to address the evidence of Mr Macmillan that there are multiple other businesses that use the word VELOCITY in their name. Mr Heller exhibits a print from the website of one of these businesses which, he states, demonstrates that it is not a technology business and is not, therefore, in the same field.³

11. The applicant also filed written submissions in lieu of a hearing. I have taken these into consideration and will refer to them below where necessary.

PRELIMINARY ISSUE

12. The proprietor has made reference to the fact that there have been no instances of confusion. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. stated that:

"80.the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion

³ Exhibit VTS2

despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.”

13. In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett L.J. stated that:

"Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark."

14. There may be a number of reasons why no confusion has occurred. For example, if the parties are, in practice, targeting different markets. In any event, consumers who are confused may never know that they have been confused and may not, therefore, report it to the party from which they purchased the services. I do not, therefore, consider this to be relevant to the decision I must make.

DECISION

15. Section 5(2)(b) of the Act states 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.”

16. The trade marks upon which the applicant relies qualify as earlier trade marks under the provisions of section 6 of the Act. As the applicant’s marks had not completed their registration process more than 5 years before the date of the application for invalidation, they are not subject to proof of use pursuant to section 6A of the Act. The applicant can, therefore, rely upon all of the services it has identified.

17. In its written submissions in lieu, the applicant states that it considers the First Earlier Mark to represent its strongest case. I will, therefore, consider this mark in the first instance, returning to the applicant’s other marks if necessary.

Section 5(2)(b) – case law

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

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a greater 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 to mind the earlier mark, 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

19. The competing services are as follows:

| Applicant's services | Proprietor's services |
|---|--|
| <p><u>Class 35</u> Business management; Business administration; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management, advertising, finance, information technology, customer management, and business analysis products and services.</p> | <p><u>Class 36</u> Financial services provided via the Internet; Financial services in relation to disposing, providing, and managing working capital and cash flow in business transactions; Payment services involving electronic processing and subsequent transmission of receivables to other business units; Electronic financial services of debt.</p> |
| <p><u>Class 37</u> Maintenance and repair services; maintenance and repair services of computer hardware.</p> | <p><u>Class 38</u> Electronic sending, supply of data and documentation via the Internet or other databases in relation to cash flow and working capital.</p> |
| <p><u>Class 41</u> Providing of training; organising conferences, seminars, meetings and training events; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management,</p> | <p><u>Class 42</u> Providing downloadable computer software that provides financial functions, namely, software that allows users to electronically view, dispose, and manage working capital and cash flow in business transactions; Providing computer software for managing cash flow and providing capital management in business transactions; Providing of access to electronic services relating to</p> |

advertising, finance, information technology, customer management, and business analysis products and services.

Class 42

Design and development of computer hardware and software; computer and information technology consultancy and advisory services; information technology support services; provision of information relating to information technology; design, development and implementation of computer hardware; design, development and implementation of computer software; server hosting; server management; rental of web servers; maintenance of computer software relating to computer security and prevention of computer risks; professional consultancy relating to computer security; application service provider services; application service provider services, namely, hosting and maintaining software applications of others for managing, analysing and reporting financial and business related data; application service provider (ASP), namely, remote software delivery services by hosting computer software applications of others; computer software and computer network systems integration, planning and management; computer network systems

disposing, providing, and managing working capital and cash flow in business transactions; Application service provider for hosting computer software for managing cash flow and providing capital management in business transactions; Data processing for financial solutions.

| | |
|--|--|
| maintenance; technical support, namely, installation, maintenance, trouble shooting and monitoring of computer hardware and computer network systems; information technology outsourcing services; information technology outsourcing services, namely, providing application software hosting, management, and support services in connection with payroll, human resource, accounting, and other business systems; computer disaster recovery planning; disaster recovery services for computer systems. | |
|--|--|

20. When making the comparison, all relevant factors relating to the services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

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

21. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

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

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

23. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

24. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as the 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.”

25. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services* (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

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

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

27. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted, as the Appointed Person, in *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL-0-255-13:

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

Whilst on the other hand:

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

28. I note that in its written submissions the proprietor has made reference to the fact that the specific services offered by the parties differ. However, in *O2 Holdings Limited, O2 (UK) Limited v Hutchinson 3G UK Limited* (Case C-533/06), the CJEU stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the context of registering a new trade mark, it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. This was endorsed by the Court of Appeal in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220. Whilst the parties may be offering different services in practice now, this may change in the future. Consequently, all of the possible uses of the marks within the scope of their registrations must be considered. Differences in their activities in practice are, therefore, irrelevant unless they are apparent from their respective specifications.

Class 36

29. The applicant states that the proprietor's class 36 services as similar to the following services in its own specification:

"Internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of [...] finance" in class 35.

"internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of [...] finance" in class 41.

"Design and development of computer [...] software" in class 42.

"application service provider services, namely, hosting and maintaining software applications of others for managing, analysing and reporting financial and business related data" in class 42.

"information technology outsourcing services, namely, providing application software hosting, management, and support services in connection with payroll, human resource, accounting, and other business systems" in class 42.

30. The applicant states that these services are similar because "the applicant's rights in VELOCITY extend to software, business and education and entertainment services related *inter alia* to the field of finance and business." I recognise that all of the services above either relate specifically to the finance sector or could relate to these fields. However, the purpose of the services differ. The proprietor's class 36 services cover a range of economic services provided by the finance industry (such as investment advice and related services and banking). By contrast, the applicant's services provide conferences, software or support functions to customers. The nature and method of use of the services will clearly differ. Whilst software, conferences and events and support functions covered by the proprietor's services may all be aimed at the financial sector, the average consumer is unlikely to view these as being provided through the

same trade channels as financial services themselves. Whilst there may be overlap in user, I do not consider this sufficient for a finding of similarity. I also do not consider these services to be in competition or complementary within the meaning of the case law. I consider these services to be dissimilar. I can see no other point of similarity with the proprietor's services which would put the applicant in a stronger position.

Class 38

31. With regard to the proprietor's class 38 services, the applicant states as follows:

“54. The contested services in class 38 are closely similar to the Applicant's services in class 42 relating to ASPs. The relevant public for the two sets of services is likely to be identical and there is overlap between the parties' distribution channels.

55. The Applicant's services in class 42 cannot be provided without the electronic sending, supply of data and documentation over the internet. The parties' services in classes 38 and 42 are interlinked with and complementary to one another, rendering the services similar.”

32. “Application service provider services” in the applicant's specification involves the provision of computer-based services via a network. This could include services which overlap with the proprietor's class 38 services. In my view, there will be overlap in user and use. I also consider that there may be a degree of overlap in trade channels. I consider the services to be similar to a medium degree.

Class 42

33. “Providing downloadable computer software that provides financial functions, namely, software that allows users to electronically view, dispose, and manage working capital and cash flow in business transactions” and “Providing computer software for managing cash flow and providing capital management in business transactions” in the proprietor's specification may overlap in trade channels with “design, development and implementation of computer software” in the applicant's

specification. It is not uncommon for businesses that provide computer software to all be responsible for its design and implementation. Further, businesses that provide computer software often release updates for its continued development. There will be overlap in user and purpose. The nature of the services will differ. The purpose of the proprietor's services will clearly be the provision of the software. This will overlap in purpose with the applicant's implementation services. However, the purpose of design and development of software will differ to just providing the software in its finished form. There may be a degree of competition as the average consumer may choose to either purchase the proprietor's service for the provision of software in its finished form or to engage a software designer to produce software tailored for that customer's particular needs. Overall, I consider the services to be similar to a medium degree.

34. "Application service provider for hosting computer software for managing cash flow and providing capital management in business transactions" in the proprietor's specification falls within the broader category of "application service provider services" in the applicant's specification. These services can, therefore, be considered identical on the principle outlined in *Meric*.

35. "Server hosting" in the applicant's specification involves the management of a business' server by a third party. The business can then access the server via the internet to use the data and applications contained on it. Similarly, "application services providers" provide businesses with computer services via a network connection. Consequently, I consider that "providing of access to electronic services relating to disposing, providing and managing working capital and cash flow in business transactions" in the proprietor's specification falls within the broader categories of "server hosting" and "application service provider services" in the applicant's specification. These services can, therefore, be considered identical on the principle outlined in *Meric*. If I am wrong in this finding then there will be overlap in user, use, nature and trade channels and the services will be highly similar.

36. That leaves "data processing for financial solutions" in the proprietor's specification. Data processing involves operations carried out on data, either by a computer or manually. I consider this to be similar to "application service provider services, namely, hosting and maintaining software applications of others for

managing, analysing and reporting financial and business related data” in the applicant’s specification. Businesses that provide data processing electronically (rather than manually) may also host and maintain software applications for analysing data. There will be an overlap in trade channels, user and purpose. I consider the services to be similar to a medium degree.

37. As some degree of similarity between the services is necessary to engage the test for likelihood of confusion, the opposition under section 5(2)(b) must fail in respect of the following services: ⁴

Class 36 Financial services provided via the Internet; Financial services in relation to disposing, providing, and managing working capital and cash flow in business transactions; Payment services involving electronic processing and subsequent transmission of receivables to other business units; Electronic financial services of debt.

The average consumer and the nature of the purchasing act

38. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ services. I must then determine the manner in which the services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

⁴ *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

39. The average consumer for the services will be a member of the general public or a business user. There will be various factors taken into consideration during the purchasing process, such as security, nature of the service provider and ease of use. For some services, particularly where they relate to financial transactions and management, a higher degree of attention may be paid. In my view, the level of attention paid during the purchasing process will vary from medium to higher than medium, depending on the particular services.

40. The services are likely to be obtained by visiting the service provider's physical premises, by visiting their website or following review of advertising. Visual considerations are, therefore, likely to dominate the purchasing process. However, given that word-of-mouth recommendations may also play a part, I do not discount that there will also be an aural component to the purchase of the services.

Comparison of trade marks

41. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade 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.”

42. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks

and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

43. The respective trade marks are shown below:

| Applicant's trade mark | Proprietor's trade mark |
|-------------------------------|--------------------------------|
| VELOCITY | VELOCITY CAPITAL |

44. The applicant's mark consists of the word VELOCITY. There are no other elements to contribute to the overall impression which lies in the word itself. The proprietor's mark consists of the words VELOCITY CAPITAL. The overall impression lies in the combination of these words, with the word CAPITAL playing a lesser role as it may be seen as a reference to the nature of the services provided.

45. Visually, the marks coincide in the presence of the word VELOCITY. The marks differ in the presence of the word CAPITAL in the proprietor's mark which has no counterpart in the applicant's mark. I consider the marks to be visually similar to a medium degree.

46. Aurally, the words VELOCITY will be pronounced identically in both marks. The point of aural difference will be the word CAPITAL in the proprietor's mark which has no counterpart in the applicant's mark. I consider the marks to be aurally similar to a medium degree.

47. Conceptually, the word VELOCITY will be given its ordinary dictionary meaning in both marks i.e. the speed at which an object travels.⁵ The word CAPITAL, in the context of services relating to the financial sector will be viewed as a reference to the field within which the services are offered. I consider the marks to be conceptually similar to between a medium and high degree.

⁵ <https://dictionary.cambridge.org/dictionary/english/velocity>

Distinctive character of the earlier trade mark

48. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

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

49. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods and services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of a mark can be enhanced through use.

50. The applicant has filed no evidence to support a finding of enhanced distinctive character. Consequently, I have only the inherent position to consider. The applicant’s mark consists of the word VELOCITY. The proprietor submits that this word has a low

distinctive character because there are almost 150 marks which contain this word on the register in the relevant classes. It is clear from the case law, that the mere presence of trade marks on the register that contain the word VELOCITY is not enough to establish that the distinctive character of that element has been weakened.⁶ The proprietor has also provided examples of businesses that are actually trading, and which use the word VELOCITY in their names. However, the majority of these do not provide the same or similar services to those provided by the parties in these proceedings or relate to different jurisdictions. In any event, I do not consider the volume of examples provided to be enough to demonstrate that the distinctive character of the word VELOCITY is weakened for the services in issue. The word VELOCITY is an ordinary dictionary word with a recognisable meaning. It has no connection with the services for which the mark is registered. I consider the mark to be inherently distinctive to a medium degree.

Likelihood of confusion

51. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the applicant's trade mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

⁶ *Zero Industry Srl v OHIM*, Case T-400/06

52. I have found the marks to be visually and aurally similar to a medium degree and conceptually similar to between a medium and high degree. I have found the applicant's mark to have a medium degree of inherent distinctive character. I have identified the average consumer to be a member of the general public or a business user, who will select the services primarily by visual means (although I do not discount an aural component). I have concluded that the level of attention paid during the purchasing process will be between medium and higher than medium. I have found the parties' services to range from being similar to a medium degree to identical (except where I have found them to be dissimilar).

53. I do not consider that the presence of the word CAPITAL in the proprietor's mark will be overlooked. Consequently, I do not consider that the marks will be mistakenly recalled or misremembered as each other. However, taking all of the above factors into account, I consider that the average consumer would perceive the marks as originating from the same or economically linked undertakings. This is particularly the case given that the word CAPITAL may be seen as a reference to the fact that the services relate to the financial sector. It is likely, therefore, to be seen as an alternative mark used by the same business. I consider there to be a likelihood of indirect confusion in respect of those services that I have found to be similar to at least a medium degree.

Final remarks

54. The services covered by the Second, Third and Fourth Earlier Marks do not include financial services. Whilst I recognise that some of the services for which these marks are registered are aimed at, or could relate to, the financial sector, I do not consider that they are sufficient for a finding of similarity for the same reasons set out above. As a degree of similarity between the services is required for there to be a likelihood of confusion, I do not consider that these marks put the applicant in a stronger position in relation to the proprietor's class 36 services.

CONCLUSION

55. The application for invalidity is successful in respect of the following services, for which the Contested Mark is hereby declared invalid:

Class 38 Electronic sending, supply of data and documentation via the Internet or other databases in relation to cash flow and working capital.

Class 42 Providing downloadable computer software that provides financial functions, namely, software that allows users to electronically view, dispose, and manage working capital and cash flow in business transactions; Providing computer software for managing cash flow and providing capital management in business transactions; Providing of access to electronic services relating to disposing, providing, and managing working capital and cash flow in business transactions; Application service provider for hosting computer software for managing cash flow and providing capital management in business transactions; Data processing for financial solutions.

56. Under section 47(6) of the Act, the registration is deemed never to have been made in respect of these services.

57. The application for invalidity is unsuccessful in respect of the following services, for which the Contested Mark will remain registered:

Class 36 Financial services provided via the Internet; Financial services in relation to disposing, providing, and managing working capital and cash flow in business transactions; Payment services involving electronic processing and subsequent transmission of receivables to other business units; Electronic financial services of debt.

COSTS

58. As the parties have both been partially successful, I do not consider it appropriate to make an award of costs in this case.

Dated this 27th day of November 2019

S WILSON

For the Registrar

ANNEX

First Earlier Mark (EUTM no. 11801685)

Class 35

Business management; Business administration; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management, advertising, finance, information technology, customer management, and business analysis products and services.

Class 37

Maintenance and repair services; maintenance and repair services of computer hardware.

Class 41

Providing of training; organising conferences, seminars, meetings and training events; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management, advertising, finance, information technology, customer management, and business analysis products and services.

Class 42

Design and development of computer hardware and software; computer and information technology consultancy and advisory services; information technology support services; provision of information relating to information technology; design, development and implementation of computer hardware; design, development and implementation of computer software; server hosting; server management; rental of web servers; maintenance of computer software relating to computer security and prevention of computer risks; professional consultancy relating to computer security; application service provider services; application service provider services, namely, hosting and maintaining software applications of others for managing, analysing and reporting financial and business related data; application service provider (ASP), namely, remote software delivery services by hosting computer software applications

of others; computer software and computer network systems integration, planning and management; computer network systems maintenance; technical support, namely, installation, maintenance, trouble shooting and monitoring of computer hardware and computer network systems; information technology outsourcing services; information technology outsourcing services, namely, providing application software hosting, management, and support services in connection with payroll, human resource, accounting, and other business systems; computer disaster recovery planning; disaster recovery services for computer systems.

Second Earlier Mark (EUTM no. 11801701)

Class 35

Business management; Business administration; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management, advertising, finance, information technology, customer management, and business analysis products and services.

Class 37

Maintenance and repair services; maintenance and repair services of computer hardware.

Class 41

Providing of training; organising conferences, seminars, meetings and training events; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management, advertising, finance, information technology, customer management, and business analysis products and services.

Class 42

Design and development of computer hardware and software; computer and information technology consultancy and advisory services; information technology support services; provision of information relating to information technology; design, development and implementation of computer hardware; design, development and

implementation of computer software; server hosting; server management; rental of web servers; maintenance of computer software relating to computer security and prevention of computer risks; professional consultancy relating to computer security; application service provider services; application service provider services , namely, hosting and maintaining software applications of others for managing, analysing and reporting financial and business related data; application service provider (ASP), namely, remote software delivery services by hosting computer software applications of others; computer software and computer network systems integration, planning and management; computer network systems maintenance; technical support, namely, installation, maintenance, trouble shooting and monitoring of computer hardware and computer network systems; information technology outsourcing services; information technology outsourcing services, namely, providing application software hosting, management, and support services in connection with payroll, human resource, accounting, and other business systems; computer disaster recovery planning; disaster recovery services for computer systems.

Third Earlier Mark (EUTM no. 11801776)

Class 35

Business management; Business administration.

Class 37

Maintenance and repair services; maintenance and repair services of computer hardware.

Class 41

Providing of training; organising conferences, seminars, meetings and training events; internet-based organising, planning and administration of business-based conferences and events in the nature of organizational meetings and trade shows in the fields of business and retail development, real estate and asset management, advertising, finance, information technology, customer management, and business analysis products and services.

Class 42

Design and development of computer hardware and software; computer and information technology consultancy and advisory services; information technology support services; provision of information relating to information technology; design, development and implementation of computer hardware; design, development and implementation of computer software; server hosting; server management; rental of web servers; maintenance of computer software relating to computer security and prevention of computer risks; professional consultancy relating to computer security; application service provider services; application service provider services, namely, hosting and maintaining software applications of others for managing, analysing and reporting financial and business related data; application service provider (ASP), namely, remote software delivery services by hosting computer software applications of others; computer software and computer network systems integration, planning and management; computer network systems maintenance; technical support, namely, installation, maintenance, trouble shooting and monitoring of computer hardware and computer network systems; information technology outsourcing services; information technology outsourcing services, namely, providing application software hosting, management, and support services in connection with payroll, human resource, accounting, and other business systems; computer disaster recovery planning; disaster recovery services for computer systems.

Fourth Earlier Mark (EUTM no. 12656765)

Class 42

Gathering, collection, analysis and reporting of transactional metadata from a community of computer enterprise systems; gathering, collection, analysis and reporting of transactional metadata from non-hosted computer systems; application service provider services, namely, hosting and maintaining software applications of others for managing, analysing and reporting financial and business related data; application service provider (ASP), namely, remote software delivery services by hosting computer software applications of others; computer software and computer network systems integration, planning and management; computer network systems maintenance; technical support, namely, installation, maintenance, trouble shooting and monitoring of computer hardware and computer network systems; information technology outsourcing services, namely, providing application software hosting,

management, and support services in connection with payroll, human resource, accounting and other business systems; advanced planning and reporting software, and office automation and messaging application software.