

O-394-20

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION No. 1377693
AND THE REQUEST BY BANCO DE SABADELL S.A.
TO PROTECT THE TRADE MARK**

Sabis.

IN CLASSES 35,37,38 & 42

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 411708
BY SCHOOLAND INVESTMENTS N.V.**

BACKGROUND

1) Banco de Sabadell S.A. (hereinafter the applicant), on the basis of its international registration based upon its registration held in Spain, requested protection in the United Kingdom of the trade mark shown above. A priority date of 20 September 2016 was claimed relating to its registration in Spain. Protection was sought for the following goods:

- In Class 35: Advertising; commercial business management; commercial administration; office functions; commercial intermediation; management of telephone call centers; business management consultancy in the field of information technology; business auditing; computerized auditing; data processing services; computerized file management; database management; computer management of data; document copying; document reproduction; document preparation; statistical report analysis and drafting; mail sorting, handling and receiving; rental of photocopying machines; office machines and equipment rental; information, consulting and advice relating to the aforementioned activities.
- In Class 37: Installation, maintenance and repair of hardware, apparatus and equipment for data processing, office equipment, printers, self-service systems, ATMs and recyclers; installation, maintenance and repair of transmission lines; maintenance of office equipment; maintenance of fixed and mobile telephony terminals; information, consulting and advice relating to the aforementioned activities.
- In Class 38: Management of local area networks; telecommunication and communication services carried out by any means; access to web sites, portals and content; multi-user access to global computer information networks for transferring and disseminating a large volume of information; rental of telecommunication apparatus; dedicated access and multi-user call access on the Internet; electronic mail and messaging services; delivery of documents online via a global computer network; message sending; provision of data transmission; Internet service provider; telephone exchange services; online communication services; transmission of computer files; transmission of digital files; collection and delivery of messages by electronic mail; information, consulting and advice relating to the aforementioned activities.
- In Class 42: Computer and software design and development services; scientific and technological services and research and design related thereto; computer security; electronic data storage; hosting of servers; hosting computer sites [web sites]; creation and

maintenance of web sites for others; rental of computer hardware and software; rental of data processing equipment and computers; rental of web servers; digitization of documents [scanning]; cloud computing services; recovery of computer data; software fault diagnostics; computer programming; installation; maintenance and updating of software; technical assistance services for software; computer system analysis; remote monitoring of computer systems, troubleshooting of computer hardware and software problems; monitoring of computer systems; information, consulting and advice relating to the aforementioned activities.

2) The United Kingdom Trade Marks Registry published the mark in the usual way in accordance with the Trade Marks (International Registration) Order 2008 (SI 2008/2206 as amended) ("the 2008 Order"). The mark "SABIS." Is written in grey in a special font.

3) On 21 February 2019 Schooland Investments N.V. (the opponent) filed notice of opposition, subsequently amended, to the conferring of protection on this international registration. The opponent is the proprietor of the following trade mark:

Mark	Number	Dates of filing and registration	Class	Specification relied upon
SABIS	EU 6270367	11.09.07 18.08.08	16	Printed matter, teaching materials (except apparatus), graphic representations, manuals, writing or drawing books, all for educational purposes.
			25	Clothing, school uniforms, sport uniforms, headgear, baseball caps.
			41	Educational services, providing of training, management of schools and boarding schools.

4) The grounds of opposition are, in summary:

- a) the mark in suit is identical to the opponent's earlier mark and the opponent's services in class 41 are identical and/or similar to the services sought to be registered by the applicant. There is therefore a likelihood of confusion which offends against section 5(2)(a) & (b) of the Act.

b) The opponent has reputation in the mark SABIS in respect of its use in relation to “a global education network that operates schools around the world”, such that use of the mark in suit will take unfair advantage of the distinctive character and repute of the opponent; consumers will assume an economic link between the parties which will affect the economic decisions of consumers causing damage to the opponent. As such the mark in suit offends against section 5(3) of the Act.

5) The applicant filed a counterstatement, subsequently amended, on 27 August 2019. The applicant basically denies all the grounds. It put the opponent to proof of use of its mark in relation to specific goods in class 16 and services in class 41 but not the goods in class 25.

6) Only the opponent filed evidence in these proceedings, and both ask for an award of costs. The matter was originally scheduled for a hearing on 10 June 2020, but on 28 April 2020 the opponent asked for a different hearing date as its counsel was unavailable on the date set. The hearing was re-arranged, and the matter came to be heard on 21 July 2020 when Mr Keay of Counsel instructed by Messrs Kanaan Legal represented the opponent; the applicant was represented by Ms Messenger of Counsel instructed by Messrs Forresters IP LLP.

OPPONENT’S EVIDENCE

7) The opponent filed a witness statement, dated 27 December 2019, by William Kanaan the opponent’s legal representative. He states that he is authorised to make the statement and that he has access to the records of the opponent. He states that the opponent’s mark is used in 20 countries worldwide by more than 50 schools. The only use in Europe relates to a school in Romania, two in Germany and one in the UK. No turnover figures for a single country or the EU are available. He provides the following exhibit:

- WK1: This consists of a number of documents. Pages 3-5 show guidelines for books dated 2015, but this is not actual use in the marketplace but internal use. Page 6 is an undated flyer for a drama production at the International school Frankfurt. Pages 9-28 are an employee guide for the school in Frankfurt which shows it is a member of the SABIS network. It is undated and again would be for internal use. Pages 42-61 are a newsletter produced in 2019 which reflects activities at the Frankfurt school during the previous 12 months. Pages 62-86 are a newsletter produced in 2018 which reflects activities at the Frankfurt school during the previous 12 months. Page 86 shows undated photographs of polo shirts with the Frankfurt logo and also a SABIS logo. Pages 94 – 97 relate to the

summer camp 2019 in Frankfurt. A number of the pages are undated or unclear as to what they are intended to show. Overall it is clear that the mark is used on a school in Frankfurt, Germany.

OPPONENT'S ADDITIONAL EVIDENCE

8) The opponent filed a witness statement, dated 15 May 2020, by Balaji Gowri and executive director of SABIS Educational Systems Inc., a company in the same corporate group as the opponent. He states that he has the authority to make the statement and access to records of the opponent. He states that there are four schools in Europe, one in the UK (now used only for summer courses) two in Germany and one in Romania. All these schools are licensed to use the opponent's mark for which they pay a fee, and two (the UK and one German school) are also managed by the opponent group of companies. He also states that another group company prints and sells books to these schools under the SABIS mark. He provides the following turnover figures:

Period	Turnover of schools in Germany & Romania	Management and licensing fees from Germany & Romania	UK school turnover	Management and licensing fees from UK school
2019-2020	N/A	€980,841	N/A	£25,000
2018-2019	€14.5m	€1.8m	£1.5m	N/A
2017-2018	€13.9m	€1.6m	£1.8m	N/A
2016-2017	€12.8m	€1.3m	£2.2m	N/A
2015-2016	€13.9m	€1.3m	£2.4m	N/A
2014-2015	€14.7m	€1.4m	£1.7m	N/A

9) He provided a single exhibit BNG1 which consisted of:

Pages 1-12: Pages from the audited accounts of the Frankfurt school for the years 2015, 2017 & 2019.

Pages 13-15 examples of invoices sent to the German schools for management services, dated 2019. At least one is in relation to only a licence fee payment.

Pages 16-18: Pages from the audited accounts for the UK school for the years 2015, 2017 & 2019.

Pages 19-33 examples of invoices of books supplied to the four schools. The sales of books averaged US\$400,000 per annum during the period 2015-2020 inclusive or just over US\$100,000 per school per annum which equates to just over 11,000 actual books per school per annum.

Pages 34-61 extracts from Google analytics which are said to show the number of unique visits to the websites of the four schools which average 114,000 each year during the period 2015-2019 inclusive or under 29,000 visits per school per year.

Page 62 consists of a statement from the vice president of the SABIS company which supplied the books to the schools, which confirms the supply.

Page 63: Another statement by the same person confirming the supply of T-shirts to the German schools which carried the SABIS logo. The sales amounted to under 2,500 per annum in the period 2017-2020 inclusive valued at just over US\$32,000 per annum or 1,250 shirts valued at US\$16,000 per German school per annum.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

11) I shall first consider the ground of opposition under sections 5(2)(a) & (b) which read:

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

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the 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,

(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.”

12) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark 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.”

13) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. The applicant has requested that the opponent provide proof of use for the goods and services in classes 16 and 41 for which it is registered. Section 6A reads:

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period .

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the relevant period 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) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) 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.”

14) Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

15) In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the

tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

16) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller-General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence

has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘show’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

17) I note that the opponent’s mark is an EU mark. In *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the Court of Justice of the European Union noted that:

“36.It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the

goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

18) The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

19) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. reviewed the case law since the *Leno* case and 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 issues 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."

20) 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.

21) 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

22) The applicant contended that the evidence did not show proof of use. The applicant points out that much of the evidence is undated or outside the relevant period which in the instant case is 20 September 2011- 19 September 2016. Whilst I accept that this is the case the statements make it clear that the schools have been using the SABIS branding since at least 2015 and the relevant turnover figures have been provided. The applicant contends that the schools traded under their own names. This is true, but crucially they also included the SABIS mark on websites, literature etc. I have to take the evidence as a whole and I also take into account that the evidence was not challenged by the applicant in evidence and no request has been made to cross examine the witnesses. In the instant case it is clear that the opponent has been providing management services and books to two schools in Germany and one in Romania since at least 2015. Although across Europe there are a huge number of schools I do not regard the use made of the mark to be anything other than genuine and to my mind the opponent has shown use of the whole of its class 16 goods. The opponent actually only provided management services to the schools but as the schools clearly used the mark SABIS under licence in their trading names in the minds of the public the opponent's mark would be connected to the provision of educational services and training. I therefore consider the opponent to have shown use of the whole of its class 41 specification. The class 25 goods were not put to proof of use and so the specification remains unchanged.

23) In the comparison test the opponent can therefore rely upon the whole of its registered specification.

24) When considering the issue under section 5(2)(a) & (b) I take into account the following principles which 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.*

- (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 will wrongly 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 decision

25) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. 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.”

26) In its comments the opponent concentrated solely upon the services it provided. It contended that schools purchasing goods and services would pay a reasonably high level of attention to the identity of the supplier. However, it contended that prospective students and their parents would pay only a moderate level of attention. I confess I find this view surprising, as I believe that a parent or student intending to invest significant sums in return for an education would pay a high level of attention to the supplier and its record of academic achievement.

27) The applicant offers a range of services covering areas such as, inter alia, advertising, management, auditing, consultancy, installation, repair and maintenance of computers and other apparatus, telecommunications services, document delivery services and data services. Most of the services would be aimed primarily at businesses although some could be aimed at the general public. The average consumer will be the general public, including businesses. Such services can



be sold via retail outlets such as telephone shops or computer retailers, on-line and also via advertising. Many of the services will be discussed with a staff member initially either face to face or via the telephone in order to ensure that the client's requirements were fully understood and that the applicant could offer the kind of tailored service that would be required under most of the headings in the specification. Considered overall, the selection process is likely to be predominantly a visual one, although I accept that aural considerations will also play their part. Turning now to the level of attention the average consumer will play when selecting the services. The services are likely to be chosen after some research as to the ability of the applicant to provide the exact type of service required by each customer. Most customers will want to know who else the applicant has worked for and whether that company was satisfied with the services provided. This is because many of the services will impact directly upon the running of the customer company and impact their business significantly if they are sub-par in delivery. The general public will make similar enquiries although maybe not in the same detail or depth as business customers. In my view, such services will be chosen **with at least a medium to high degree of attention.**

Comparison of trade marks

28) 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 them, 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.”

29) It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

Opponent's trade marks	Applicant's trade mark
	

30) I will first consider the issue under the 5(2)(a) ground of opposition where the opponent contends that the marks are identical. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

31) To my mind, the dot on the letter “i” and the full stop are so oversized that they will be spotted by the average consumer. These combined with the slight stylisation of the applicant’s mark means that it does not meet the above test for identity. The opposition under Section 5(2)(a) therefore fails. However, with regard to the **opposition under section 5(2)(b) the marks must be regarded as highly similar to the point of being virtually identical. I note that at the hearing the applicant accepted that the marks were highly similar. Even if I am wrong on this I do not believe that the difference between being regarded as identical and virtually identical will affect the overall outcome of my decision.**

Distinctive character of the earlier trade mark

32) 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-0000, paragraph 49).

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

33) The opponent’s mark has no meaning for the goods and services in question as far as I am aware. The mark must be regarded as **inherently distinctive to at least a medium to high degree**. The opponent has shown no use of its mark in the UK and minimal use in the EU, no information has been provided regarding market share and no independent evidence provided regarding reputation. Therefore, the opponent **cannot benefit from enhanced distinctiveness**.

Comparison of goods and services

34) 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 of its judgment 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”.

35) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

36) 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 für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

37) 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."

38) 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 that the responsibility for those goods lies with the same undertaking”.

39) 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.”

40) I also note that if the similarity between the goods is not self-evident, it may be necessary to adduce evidence of similarity even if the marks are identical. In *Commercy AG, v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-316/07, the General Court pointed out that:

“43. Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

41) Thus, where the similarity between the respective goods / services is not self-evident, the opponent must show how, and in which respects, they are similar.

42) I was referred to the case of *Sky v Skykick* [2020] EWHC 990 (Ch), where Arnold LJ set out a summary of the correct approach to interpreting broad and/or vague terms contained within a specification:

“56. [...] the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly

covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined

to the core of the possible meanings attributable to the terms.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded”.

43) At the hearing it was confirmed that the following services are not opposed under section 5(2)(b):

- Class 35: Advertising; commercial intermediation; business auditing; computerized auditing; data processing services; computerized file management; database management; computer management of data; document copying; document reproduction; document preparation; statistical report analysis and drafting; mail sorting, handling and receiving.
- Class 37: installation, maintenance and repair of transmission lines; maintenance of fixed and mobile telephony terminals;
- Class 38: Management of local area networks; telecommunication and communication services carried out by any means; access to web sites, portals and content; multi-user access to global computer information networks for transferring and disseminating a large volume of information; rental of telecommunication apparatus; dedicated access and multi-user call access on the Internet; electronic mail and messaging services; delivery of documents online via a global computer network; message sending; provision of data transmission; Internet service provider; telephone exchange services; online communication services; transmission of computer files; transmission of digital files; collection and delivery of messages by electronic mail;
- Class 42: Computer and software design and development services; computer security; electronic data storage; hosting of servers; hosting computer sites [web sites]; creation and maintenance of web sites for others; rental of web servers; digitization of documents [scanning]; cloud computing services; recovery of computer data; software fault diagnostics; computer programming; installation; maintenance and updating of software; computer system analysis; monitoring of computer systems;

44) The opponent contends that there is a high degree of similarity between the applicant's "commercial business management; commercial administration;" functions and its own "management of schools and boarding schools" in class 41. It is claimed that a school is a business and therefore there is little difference between administration and management. In a similar vein it also contends:

"31. It is submitted that there is a **moderate degree of similarity** in the case of the following of the Applicant's services:

Class 35: "Office functions", "rental of photocopying machines", "office machines and equipment rental", "information, consulting and advice relating to the aforementioned activities"

Class 37: "maintenance of office equipment"; "information, consulting and advice relating to the aforementioned activities"

Class 42: "rental of computer hardware and software", "rental of data processing equipment and computers"

32. "Office functions" must mean general office management/administration and is plainly similar to management of schools. The other services above relate, broadly speaking, to the provision of office equipment or IT/computers. Office equipment and IT/computers are of course used in schools as well as in general businesses and their provision falls within (or is at least similar to) management of schools. Indeed, as an illustration of this point, the Opponent's management of schools in the present case includes the provision of IT and software. It would be entirely rational for a school that is purchasing management services to look to the same undertaking for provision of its office equipment and IT/computers."

AND:

"34. It is submitted that there is a **relatively low degree of similarity** in the case of the following of the Applicant's services:

Class 35: "management of telephone call centers", "business management consultancy in the field of information technology"

Class 37: "Installation, maintenance and repair of hardware, apparatus and equipment for data processing, office equipment, printers, self-service systems, ATMs and recyclers"

Class 38: "information, consulting and advice relating to the aforementioned activities [broadly, IT services]"

Class 42: "scientific and technological services and research and design related thereto", "technical assistance services for software", "remote monitoring of computer systems,

troubleshooting of computer hardware and software problems”, “information, consulting and advice relating to the aforementioned activities”.

35. There is a lower degree of similarity between the services above and the services for which the Opponent’s Mark is registered, but it is sufficient to pass the threshold to move on to the global appreciation of the likelihood of confusion. The services above also relate, broadly speaking, to management services and provision of the sort of equipment used in offices. There is therefore a degree of similarity with management of schools for the reasons already explained above. As a separate point, there is also similarity between the Applicant’s “*scientific and technological services and research and design related thereto*” and the Opponent’s “*Educational services*”.

45) During the hearing the opponent withdrew its opposition against “installation, maintenance, and repair of ATMs and recyclers” in class 37. To describe the opponent’s submissions as superficial is being generous. One might equally say that a solicitor, accountant, estate agent and nuclear scientist are similar as all use a computer, a telephone, pens and paper. Running a school requires being registered with OFSTED, the staff must be vetted by the Disclosure Barring Service (previously the Criminal Records Bureau), staff must have training in first aid, childcare and radicalisation. If one is in the business of renting office equipment to other businesses for them to use then a thorough knowledge of the equipment and the market would be required. Similarly maintaining equipment is a specialist service which requires training that those who run schools would not have. The idea of a school bursar installing and maintaining an ATM is surreal and utterly ludicrous. The same is true of scientific services being similar to educational services. The opponent has singularly failed to meet the requirements set out in paragraph 40 above. **I find that none of the services applied for are similar to the opponent’s services relied upon and neither are they complementary.**

Likelihood of confusion

46) In determining whether there is a likelihood of confusion, 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 goods and services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent’s trade mark as the more distinctive the trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and 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 he has retained in his mind. Earlier in this decision, I concluded that:

- the average consumer for the applicant's services is a member of the general public including businesses who will select the services by predominantly visual means, although I do not discount aural considerations and that they are likely to pay at least a medium to high degree of attention to the selection of said services.
- the marks must be regarded as highly similar to the point of being virtually identical.
- the opponent's mark has a medium to high level of inherent distinctiveness, and cannot benefit from an enhanced distinctiveness through use.
- the services of the two parties are not similar.

47) In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

"49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.

48) The opposition under section 5(2)(b) fails

49) I next turn to the ground of opposition under section 5(3) which reads:

"5. (3) A trade mark which-

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

50) 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, *Adidas-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 of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

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

51) The first hurdle is the issue of reputation as set out at points (a) and (b) above. The onus is upon the opponent to prove that its trade marks enjoy a reputation or public recognition.

52) In *Pago International GmbH v Tirolmilch registrierte GmbH*, Case C-301/07, the CJEU held that:

“20. By its first question, the national court in essence asks the Court, first, to clarify the meaning of the expression ‘has a reputation in the Community’, by means of which, in Article 9(1)(c) of the regulation, one of the conditions is laid down which a Community trade mark must fulfil in order to benefit from the protection accorded by that provision and, second, to state whether that condition, from a geographical point of view, is satisfied in a case where the Community trade mark has a reputation in only one Member State.

21. The concept of ‘reputation’ assumes a certain degree of knowledge amongst the relevant public.

22. The relevant public is that concerned by the Community trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector (see, by way of analogy, *General Motors*, paragraph 24, with regard to Article 5(2) of the directive).

23. It cannot be required that the Community trade mark be known by a given percentage of the public so defined (*General Motors*, by way of analogy, paragraph 25).

24. The degree of knowledge required must be considered to be reached when the Community trade mark is known by a significant part of the public concerned by the products or services covered by that trade mark (*General Motors*, by way of analogy, paragraph 26).

25. In examining this condition, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it (*General Motors*, by way of analogy, paragraph 27).

26. In view of the elements of the main proceedings, it is thus for the national court to determine whether the Community trade mark at issue is known by a significant part of the public concerned by the goods which that trade mark covers.

27. Territorially, the condition as to reputation must be considered to be fulfilled when the Community trade mark has a reputation in a substantial part of the territory of the Community (see, by way of analogy, *General Motors*, paragraph 28).

28. It should be noted that the Court has already ruled that, with regard to a Benelux trade mark, it is sufficient, for the purposes of Article 5(2) of the directive, that it has a reputation in a substantial part of the Benelux territory, which part may consist of a part of one of the Benelux countries (*General Motors*, paragraph 29).

29. As the present case concerns a Community trade mark with a reputation throughout the territory of a Member State, namely Austria, the view may be taken, regard being had to the circumstances of the main proceedings, that the territorial requirement imposed by Article 9(1)(c) of the regulation is satisfied.

30. The answer to the first question referred is therefore that Article 9(1)(c) of the regulation must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public

concerned by the products or services covered by that trade mark, in a substantial part of the territory of the Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.”

53) In *Burgerista Operations GmbH v Burgista Bros Limited* [2018] EWHC (IPEC), Judge Hacon considered whether an EU trade mark registered for restaurant services had a reputation under article 9(2)(c) of the EU Trade Mark Regulation (which is equivalent to s.10(3) of the Trade Marks Act). The judge summarised the law as follows:

“69. I draw the following from the judgments of the Court in *PAGO* and *Iron & Smith* and from the opinion of Advocate General Wahl in *Iron & Smith*:

- (1) An EU trade mark has a reputation within the meaning of art.9(2)(c) if it was known to a significant part of the relevant public at the relevant date.
- (2) The relevant public are those concerned by the products or services covered by the trade mark.
- (3) The relevant date is the date on which the defendant first started to use the accused sign.
- (4) From a geographical perspective, the trade mark must have been known in a substantial part of the EU at the relevant date.
- (5) There is no fixed percentage threshold which can be used to assess what constitutes a significant part of the public; it is proportion rather than absolute numbers that matters.
- (6) Reputation constitutes a knowledge threshold, to be assessed according to a combination of geographical and economic criteria.
- (7) All relevant facts are to be taken into consideration when making the assessment, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by undertaking in promoting it.
- (8) The market for the goods or services in question, and from this the identity of the relevant public, ought to assume a paramount role in the assessment.
- (9) The territory of a single Member State (large or small) may constitute a substantial part of the EU, but the assessment must be conducted without consideration of geographical borders.”

The registered EU trade mark had been used for 8 months prior to the relevant date in the proceedings, in relation to 7 restaurants, mainly in Austria. The judge concluded as follows:

“85. In July 2015 the Trade Mark was far from being known throughout Austria. It had not become known outside Austria, save possibly to a very limited extent in Mönchengladbach. It was known in two local areas of Vienna, two in Linz, one in Salzburg and one in Pasching. No figure has been attempted for the share of the European Union restaurant business held by the restaurants trading under the mark, but it must have been very small indeed, even if presented as a share of the burger restaurant business. Marketing was largely confined to social media sites, although it is not clear how much of this had been done by July 2015.

86. In my view, although at the relevant date the Trade Mark had a reputation of some sort by dint of restaurants having traded under the Trade Mark, it did not have a reputation in the Union within the meaning of art.9(2)(c).”

54) The test for a qualifying ‘reputation’ was set out by the CJEU in *General Motors*. The earlier mark must be known by ‘a significant part’ of the relevant public. In *Iron & Smith kft v Unilever NV*, Case C-125/14, the CJEU was asked whether a CTM (now an EUTM) with a reputation ‘in the Community’ (now the European Union), but not in the Member State where infringement was alleged, was capable of being infringed under provisions of the Community Trade Mark Regulation (now the European Union Trade Mark Regulation) broadly equivalent to s.5(3) of the Act. The court answered that:

“If the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future.”

55) The distinction between the requirement for a reputation in the European Union, i.e. known to “a significant part of the [EU] public concerned by the products or services covered by that trade mark”, and the level of awareness of the EU trade mark required amongst relevant consumers in the Member State where the issue arises, i.e. known to “a commercially significant part of” that relevant public, is clearer in the French version of the same judgment, which refers to a “commercially non-negligible” part of the relevant public in the Member State. An EU trade mark

may therefore be entitled to protection in the UK where it is known to “a significant part of the [EU] public concerned by the products or services covered by that trade mark” including a “commercially non-negligible” part of the relevant public in the UK.

56) It is apparent from the court’s judgment that “a commercially significant part of the [relevant] public” is intended to cover a lesser, but still significant, degree of recognition of the EUTM in the Member State where the same or a similar trade mark has been applied for by a third party. This is confirmed by versions of the judgment in other languages. The French version says that a “commercially non-negligible” part of the relevant public in the Member State must be aware of the earlier CTM (now: EUTM) and make a link with the later national trade mark.

57) It follows that where there is no awareness of the EU trade mark in the UK, or only a negligible level of awareness of it, the relevant UK public will not make the necessary ‘link’ between the EU mark and the later national mark. Consequently, the use of the national mark will not take unfair advantage of, or be detrimental to, the [EU] reputation and/or the distinctive character of the EU trade mark.

58) The opponent runs two schools in Germany and one each in Romania and the UK. There is no evidence of advertising in the EU or UK. The number of pupils in each school is not provided but for instance the turnover at the UK school in 2014-15, prior to the relevant date, was £1.7 million. Assuming a ratio of one boarder to one day pupil and an average cost of approximately £30,000 per annum for a boarder and £15,000 per day pupil, this equates to approximately 75 pupils. The figures provided for the number of “hits” on the website cannot be relied upon as a “hit” means a single request from a web browser for a single item from a web server; thus in order for an individual's web browser to display a page that contains three graphics, 4 "hits" would occur at the server: one for the HTML page itself, and one for each of the three graphics displayed on that page. So, a user downloading a single web page with many graphic elements will generate many hits. There is no evidence that the opponent had attended exhibitions or trade fairs to advertise its management services for schools. Nor is there any evidence of the number of private schools in the EU or UK, the number of pupils who attend private schools or the number of companies providing management services to such schools. Mr Keay contended that it is only amongst private schools who are actually seeking management services that the opponent needs to show reputation. Even if I were to accept this contention (and I do not), it would be impossible to measure as presumably this number must change yearly. In any case the opponent has not provided the basic information to allow me to measure its reputation in the private school field. Further, it has failed to provide any independent evidence of its reputation from institutions which represent private school providers or indeed any independent evidence. Although I accepted that

the opponent met the requirements of proof of use earlier in this decision, this was on the basis of unchallenged testimony and invoices. The proof of use bar under 5(2)(b) is set somewhat lower than that for reputation under section 5(3) and although the opponent squeaked over the former it comprehensively fails on the latter. The opponent has failed to meet the requirement to show that it has reputation amongst a significant part of any part of the EU or UK for any goods or services.

The opposition under section 5(3) fails.

59) However, in case I am wrong regarding the reputation I will continue to consider the opposition under this ground. I next have to consider whether the public will make a link. In Case C-408/01, *Adidas-Salomon*, the CJEU held that:

“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).”

60) The level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of /confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the CJEU stated (at paragraph 72 of its judgment) that:

“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).”

61) In C-252/07 *Intel Corp* [2008] ECR I-8823 at paragraph 42 the court set out the factors used to assess a link. Those factors include:

the degree of similarity between the conflicting marks;

the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;

the strength of the earlier mark’s reputation;

the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;

the existence of the likelihood of confusion on the part of the public.

62) In its skeleton the opponent contended that:

“45. Link. It is obvious that use of the appellant’s mark would bring to the mark SABIS to mind and it cannot seriously be contended otherwise.”

63) The applicant claimed:

“45. However, in the Applicant’s submission, even if the Tribunal concludes that the Opponent’s mark has a reputation for any of the goods or services on which it relies, it is not the case that a significant section of the relevant public would bring to mind the Opponent’s mark if they were presented with the Applicant’s mark used in respect of the services for which registration is sought. Considering the factors that must be considered when assessing whether a link has, or is likely to be, established:

45.1. As addressed above, there is no similarity between any of the goods or services for which the Opponent claims its mark has a reputation and the services for which the

Applicant seeks to register its mark. In this respect, the Opponent itself accepts that here is no similarity between many of the services for which the Applicant seeks to register its mark and the goods and services for which it claims a reputation, it is for this very reason that it has not challenged those parts of the specification pursuant to sections 5(2)(a) and 5(2)(b);

45.2. Insofar as the evidence establishes that the Opponent has a reputation in the mark (which is denied) the reputation that has been established is at best very weak;

45.3. There is no likelihood of confusion on the part of the relevant public, as addressed above;

45.4. For the majority of the services covered by the Applicant's application, particularly those in classes 35, 37 and 38, the relevant consumer would be a professional or corporate entity. The same is true of the Opponent's class 41 "*providing of training, management of schools and boarding schools*". As such, a higher degree of attention would be paid by consumers in respect of those services.

46. It follows that there is no likelihood of the Applicant's mark being detrimental to the distinctive character or repute of the Opponent's mark, nor of it taking unfair advantage of it.

47. However, even if, contrary to the above submissions, the contested application caused a section of the UK public to think about the Opponent's trade mark, there is no likelihood of one of the three types of damage occurring as a result.

48. For the reasons addressed above, any such link would be fleeting and given the different nature of the services covered by the Application as compared to the goods and services for which the Opponent claims a reputation there is no credible basis to suggest that there is a likelihood that any such link would be enough to change the economic behaviour of the Opponent's consumers. Furthermore, there is no reason to suppose there is any likelihood of the reputation of the Opponent's mark being damaged. Finally, there is no credible basis to suggest that as a result of any fleeting link with the Opponent's trade mark there would be a transfer of the image of that mark to the Applicant's trade mark that would amount to exploitation through riding on the coat-tails of its reputation."

64) In *Argos Limited v Argos Systems Inc.* [2018] EWCA Civ 2211, the Court of Appeal held that a change in the economic behaviour of the customers for the goods/services offered under the later trade mark was required to establish unfair advantage. This may be inferred where the later trade mark would gain a commercial advantage from the transfer of the image of the earlier trade mark to the later mark: see *Claridges Hotel Limited v Claridge Candles Limited and Anor*, [2019] EWHC 2003 (IPEC).

65) In *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, the CJEU stated that:

“34. According to the Court’s case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corporation* judgment, which begins with the words ‘[i]t follows that’, immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established.

37. The concept of ‘change in the economic behaviour of the average consumer’ lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers’ perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds.

38 The General Court, at paragraph 53 of the judgment under appeal, dismissed the assessment of the condition laid down by the *Intel Corporation* judgment, and, consequently, erred in law.

39. The General Court found, at paragraph 62 of the judgment under appeal, that ‘the fact that competitors use somewhat similar signs for identical or similar goods compromises the immediate connection that the relevant public makes between the signs and the goods at issue, which is likely to undermine the earlier mark’s ability to identify the goods for which it is registered as coming from the proprietor of that mark’.

40. However, in its judgment in *Intel Corporation*, the Court clearly indicated that it was necessary to demand a higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of the earlier mark, within the meaning of Article 8(5) of Regulation No 207/2009.

41. Accepting the criterion put forward by the General Court could, in addition, lead to a situation in which economic operators improperly appropriate certain signs, which could damage competition.

42. Admittedly, Regulation No 207/2009 and the Court’s case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

66) In the instant case the marks are virtually identical, and the opponent’s mark is inherently very distinctive. However, its reputation (if it exists at all) is very weak; the parties occupy completely different business worlds and their services would be chosen with considerable care by consumers. This will probably involve a face to face discussion or at the very least communications between the consumer and the supplier of the service sought before any economic activity is entered into. To my mind, taking all of the factors into account I do not accept that the average consumer will make the necessary link between the parties. **The ground of opposition under section 5(3) fails.**

CONCLUSION

67) The grounds of opposition under section 5(2)(a), 5(2)(b) and 5(3) have all failed.

COSTS

68) As the opponent was unsuccessful the applicant is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Considering the other side's evidence	£700
Attendance at the hearing	£1000
TOTAL	£2,000

69) I order Schooland Investments N.V. to pay Banco de Sabadell S.A. the sum of £2,000. This sum to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10th day of August 2020

George W Salthouse
For the Registrar,
the Comptroller-General