

O/359/21

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NOS. UK00003356949, UK00003384822 AND
UK00003426406

BY DF CAPITAL BANK LIMITED

IN CLASS 36

AND IN THE MATTER OF OPPOSITIONS THERETO

UNDER NOS. 416363, 416823 AND 418740

BY DIF MANAGEMENT HOLDING B.V.

AND IN THE MATTER OF REGISTRATION NO. UK00003335528

IN THE NAME OF DF CAPITAL BANK LIMITED

IN CLASS 36

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF
INVALIDITY THERETO UNDER NO. 502849

BY DIF MANAGEMENT HOLDING B.V.

BACKGROUND AND PLEADINGS

1. On 28 November 2018, DF Capital Bank Limited (“DFC”) applied to register the following trade mark in the UK:



UKTM application no. 3356949
 (“the First Contested Mark”)

2. The First Contested Mark was published for opposition purposes on 15 February 2019 and registration is sought for the following services:

Class 36 Banking.

3. On 20 March 2019, DFC applied to register the following trade mark in the UK:



UKTM application no. 3384822
 (“the Second Contested Mark”)

4. The Second Contested Mark was published for opposition purposes on 29 March 2019 and registration is sought for the following services:

Class 36 Finance services.

5. On 5 September 2019, DFC applied to register trade mark no. 3426406 for the mark **DF Capital** in the UK (“the Third Contested Mark”). The Third Contested Mark was published for opposition purposes on 20 September 2019 and registration is sought for the following services:

Class 36 Finance services.

6. DFC is also the registered proprietor of UKTM no. 3335528 for the mark **DF Capital Bank** (“the Fourth Contested Mark”). The Fourth Contested Mark was filed on 2 September 2018 and registered on 18 January 2019. It stands registered for the following services:

Class 36 Banking.

7. On 15 May 2019, 1 July 2019 and 12 December 2019 respectively, DIF Management Holding B.V. (“DIF”) opposed the First, Second and Third Contested Marks. The oppositions are based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

8. On 11 October 2019, DIF applied to invalidate the Fourth Contested Mark under section 47 of the Act. DIF relies upon sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

9. For its oppositions and invalidation under sections 5(2)(b) and 5(3), DIF relies upon EUTM no. 14040836 for the trade mark **DIF**.¹ The earlier mark was filed on 8 May 2015 and registered on 14 September 2015. DIF relies upon all services for which its trade mark is registered, namely:

Class 36 Insurance; Financial affairs; Monetary affairs; Real estate affairs; Finance services; Financial valuation services; Appraisal and valuation of enterprises; Financial participation in businesses; consultancy of capital investment; Research and consultancy on financing and financial participation; Financial analysis; Financial management; Financial management of companies, partnerships, organisations and funds; Management of investment funds; Financial asset management; Real estate management; Information and consultancy relating to the

¹ Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 – please see Tribunal Practice Notice 2/2020 for further information.

aforesaid services; The aforesaid services whether or not via electronic channels, including the Internet.

10. Under section 5(2)(b), DIF claims that there is a likelihood of confusion because the parties' respective trade marks are similar and the services are identical or similar.

11. Under section 5(3), DIF claims a reputation in respect of all services for which the earlier mark is registered. DIF claims that use of DFC's marks would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or repute of the earlier mark.

12. Under section 5(4)(a), DIF claims to have used the sign **DIF** throughout the UK since April 2008 in relation to those services listed in paragraph 9 above.

13. DFC filed counterstatements denying the claims made.

14. On 20 March 2020, the proceedings were consolidated pursuant to rule 62(1)(g) of the Trade Marks Rules 2008.

15. Both parties filed evidence in chief. DIF did not file evidence in reply. A hearing took place before me on 30 March 2021. DIF was represented by Julius Stobbs of Stobbs IP and DFC was represented by David Ivison of Counsel, instructed by Travers Smith LLP. Both parties filed skeleton arguments in advance of the hearing.

EVIDENCE

DIF's Evidence in Chief

16. DIF filed evidence in the form of the witness statement of Robert Doekes dated 11 December 2019, which is accompanied by 28 exhibits. Mr Doekes is the Chief Financial Officer for DIF, a position he has held for 10 years.

17. Mr Doekes explains that DIF is a leading independent fund management company, with over \$5.6billion of assets under management across seven "closed-end"

investment funds and several co-investment vehicles. He states that DIF employs a team of over 135 professionals based in nine offices around the world (six of which are located in the EU).

18. Mr Doekes states that DIF was launched in 2005 and has had a presence in the UK from 2008. Undated print outs from DIF’s website have been provided, which display the following mark:²



19. Mr Doekes has provided the following figures for the UK/EU market:

Year	Gross turnover under the Trade Mark	Advertising spend under the Trade Mark	Customers buying services under the Trade Mark
2018	€67,624,000 (€8,114,880)	€991,000 (€118,920)	€5,875,556,000 (€705,066,720)
2017	€34,175,000 (€4,101,000)	€50,000 (€6,000)	€5,875,556,000 (€705,066,720)
2016	€34,155,000 (€4,098,600)	€70,000 (€8,400)	€3,525,556,000 (€423,066,720)
2015	€22,277,000 (€2,673,240)	€70,000 (€8,400)	€3,525,556,000 (€423,066,720)

20. Mr Doekes states that DIF estimates 12% of these figures relate to the UK market. He states that the figures presented in red relate to the UK based upon this calculation.

² Exhibits RD1 and RD2

At the hearing, Mr Stobbs clarified that the “customers buying services” column relates to the total amount managed by the investment fund, rather than DIF’s turnover.

21. Mr Doekes has listed some of its high-profile investors such as European Investment Bank, BlackRock, City of London Pension Fund, The Church of England Pensions Board and Aviva Life & Pensions.

22. Mr Doekes notes that in 2018, DIF was ranked as the 27th largest independent fund management company in the world.³

23. Mr Doekes notes that DIF has won a number of awards, including:

- a. 2015 IJGlobal Award for their work on the Thames Tideway Tunnel project.⁴
- b. 2015 Infrastructure Investment Award for Global PPP Deal of the Year for their work on the Thames Tideway Tunnel project.⁵
- c. 2015 PFI Award for European Infrastructure Deal of the Year for their work relating to the Thames Tideway Tunnel project.⁶
- d. 2015 PFI Financial Sponsor of the Year award.⁷
- e. 2016 Partnership Awards ‘Gold Award’ for ‘Best Waste/Energy/Water Project’ for their work relating to Thames Tideway Tunnel.⁸
- f. 2018 IJGlobal European Refinancing Deal of the Year award for their work on the M25 Refinancing project.⁹

³ Exhibit RD3

⁴ Exhibit RD4

⁵ Exhibit RD5

⁶ Exhibit RD6

⁷ Exhibit RD7

⁸ Exhibit RD8

⁹ Exhibit RD9

24. I note that a number of documents in DIF's evidence are dated after the relevant dates.¹⁰ The evidence shows that DIF invested in infrastructure, utility, housing and renewable energy projects prior to the relevant dates and is recorded as being a significant investor in these areas.¹¹

25. That concludes my summary of Mr Doakes' evidence insofar as I consider it necessary.

DFC's Evidence in Chief

26. DFC filed evidence in the form of the witness statement of Dan Reavill dated 21 October 2020, which is accompanied by 6 exhibits. Mr Reavill is a Partner at DFC's representatives.

27. Mr Reavill notes that the screenshots of DIF's website, referred to above, mention the brand "DIF Capital Partners". Mr Reavill states that DIF only rebranded as "DIF Capital Partners" in July 2019, a fact that was announced on DIF's website on 31 July 2019.¹² Prior to this, Mr Reavill states that DIF used the following mark:¹³



28. Mr Reavill has also filed examples of DFC's use of its mark, including:

- a. A print out from the Wayback Machine Archive dated 4 September 2018 which displays the domain name dfcapital.co.uk;¹⁴
- b. A facility proposal dated 1 February 2017 which includes the following mark:¹⁵

¹⁰ For example, exhibits RD11, RD12, RD13, RD20 and RD28

¹¹ For example, exhibits RD14, RD15, RD16, RD17 and RD18

¹² Exhibit DR1

¹³ Exhibit DR2

¹⁴ Exhibit DR3

¹⁵ Exhibit DR4



- c. An announcement about a collaboration between DFC and Aspire Park & Leisure dated 25 March 2019;¹⁶
- d. An article posted on a webpage called "Liberum" dated 14 May 2019 which describes DFC as "a small £130m market cap specialist lender".¹⁷
- e. Various materials including a flyer from 2017, a customer proposal from January 2017 and a flyer from a trade show in August 2016, all of which display the same mark shown in point (b) above.¹⁸

29. That concludes my summary of DFC's evidence insofar as I consider it necessary.

MY APPROACH

30. The oppositions and the invalidation are based upon the same grounds and DIF relies upon the same earlier rights. Consequently, I will address all four cases together.

DECISION

Section 5(2)(b)

31. Section 5(2)(b) of the Act reads as follows:

"5(2) A trade mark shall not be registered if because –

(a)...

¹⁶ Exhibit DR5

¹⁷ Exhibit DR5

¹⁸ Exhibit DR6

(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.”

32. By virtue of its earlier filing date, the mark relied upon by DIF qualifies as an earlier mark pursuant to section 6 of the Act. As the earlier mark had not completed its registration process more than five years before the application dates of the marks in issue, or the date of filing of the application for invalidation, it is not subject to proof of use pursuant to sections 6A or 47(2A)-(2E) of the Act.

33. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

34. 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

35. The competing services are as follows:

DIF's services (opponent/cancellation applicant)	DFC's services (applicant/proprietor)
<p><u>Class 36</u> Insurance; Financial affairs; Monetary affairs; Real estate affairs; Finance services; Financial valuation services; Appraisal and valuation of enterprises; Financial participation in businesses; consultancy of capital investment; Research and consultancy on financing and financial participation; Financial analysis; Financial management; Financial management of companies, partnerships, organisations and funds; Management of investment funds; Financial asset management; Real estate management; Information and consultancy relating to the aforesaid services; The aforesaid services whether or not via electronic channels, including the Internet.</p>	<p>The First and Fourth Contested Marks <u>Class 36</u> Banking</p> <p>The Second and Third Contested Marks <u>Class 36</u> Finance services.</p>

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. DFC accepts in its counterstatement that “Finance services” appears identically in the specifications of both the Second and Third Contested Marks and the earlier mark.

38. In his skeleton argument, Mr Ivison accepted that “banking” (which appears in the specifications of the First and Fourth Contested Marks) was “at least highly similar to ‘finance services’”. In my view, the term “banking” falls into the broader categories of “finance services” and “monetary affairs”. The services can, therefore, be considered identical on the principle outlined in *Meric*.

39. Given my conclusions below regarding the scope of DIF’s enhanced distinctiveness, I will also make a finding regarding the similarity of DFC’s services to DIF’s “management of investment funds”. For the avoidance of doubt, I consider that these services will be identical on the principle outlined in *Meric* or, at the very least, highly similar.

The average consumer and the nature of the purchasing act

40. 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.”

41. The average consumer will include both members of the general public and specialists in the financial sector. At the hearing, Mr Stobbs noted that, whilst some of these services are specialist services that will inevitably attract a high level of attention, many of the services will be more frequently used by members of the general public and will involve low (or indeed no) cost. I agree. The terms covered by the parties’ specifications are broad and would include a range of financial and banking services from management of investment funds (such as those services provided by DIF) to the opening of a bank account or use of an electronic payment service. The latter two examples are likely to attract a low cost or be free of charge. Further, they are likely to be used relatively frequently by members of the general public. They are, therefore, likely to attract a lower level of attention than the former example (i.e. fund management services). However, even for those low cost/free of charge services, as Mr Ivison submitted, various factors will still be taken into account such as customer service standards, interest rates and security. I consider that the risks such as financial fraud and serious financial consequences of mistakes being made even for the low cost/free of charge services, will result in at least between a medium and high degree of attention being paid. For services that attract a higher cost and/or are used less frequently and/or are used by professional users, I consider a high degree of attention will be paid.

42. Mr Stobbs submitted that the purchasing process is likely to be predominantly visual, with the services most commonly being provided online (such as through website or apps), although they can also be purchased through bricks-and-mortar premises. Mr Ivison agreed that there was likely to be a visual aspect to the purchase but noted that word-of-mouth recommendations may also play a part. I agree with both submissions. I find that the purchasing process will be predominantly visual, although I do not discount an aural component.



Comparison of trade marks

43. 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.”

44. 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.

45. The respective trade marks are shown below:

DIF's trade mark	DFC's trade marks
DIF	 <p data-bbox="916 1693 1289 1731">(the First Contested Mark)</p>  <p data-bbox="892 1939 1315 1977">(the Second Contested Mark)</p>

	<p>DF Capital (the Third Contested Mark)</p> <p>DF Capital Bank (the Fourth Contested Mark)</p>
--	---

Overall Impression

46. The earlier mark consists of the letters DIF. There are no other elements to contribute to the overall impression, which lies in the combination of these letters. The First Contested Mark consists of the words DF Capital Bank, presented in a blue standard font, and a green geometrical device. The device appears at the start of the mark and is bigger than the text. The overall impression of the mark lies in the combination of these elements. The Second Contested Mark consists of the same arrangement, absent the word “Bank”. For the same reasons, I consider that the overall impression of the mark lies in the combination of these elements. The Third and Fourth Contested Marks consist of the words “DF Capital”/“DF Capital Bank” respectively. The overall impression of the marks lies in the combination of these words.

Visual Comparison

47. Visually, the earlier mark overlaps with the Third Contested Mark to the extent that they both include the letters D and F. In the Third Contested Mark, these letters appear consecutively and are followed by the word “Capital”; in DIF’s mark, these letters are separated by the letter “I”. I bear in mind Mr Stobbs’ submission that, as the additional letter appears in the middle of the mark, it is likely to make less of an impact than if it had appeared, for example, at the beginning. I also note Mr Stobbs’ submission that the size of the letter ‘I’ (being a single line letter) means it is likely to be less noticeable.

Taking all of this into account, I consider the marks to be visually similar to a medium degree.

48. The Fourth Contested Mark has the additional difference created by the addition of the word “Bank”. I consider the Fourth Contested Mark to be similar to the earlier mark to between a low and medium degree.

49. The First and Second Contested Marks are presented in a blue font, however, as registration in black and white (as is the case in the earlier mark) covers use in different colours, I do not consider this to be of significance. They do, however, both have the addition of a device, which has no counterpart in the earlier mark. Clearly, this will act as a further point of visual difference in addition to those identified above. The First and Second Contested Marks are visually similar to the earlier mark to a low degree.

Aural Comparison

50. Aurally, I recognise that there is potential for the earlier mark to be pronounced either as an acronym or an invented word. However, Mr Stobbs made his submissions on the basis that the earlier mark will be viewed and pronounced as an acronym, and I shall make my assessment on that basis. The earlier mark is likely to be pronounced DEE-EYE-EFF. As Mr Stobbs noted at the hearing, the device in the First and Second Contested Marks will not be pronounced. In my view, the acronym DF in all of the Contested Marks will be pronounced as DEE-EFF. The words CAPITAL and BANK are well known words and will be given their ordinary pronunciation. The parties’ marks share two syllables, which will be pronounced identically (although they do not both appear in the same position). Taking all of this into account, I consider the marks to be aurally similar to between a low and medium degree.

51. I also recognise that, as the words “Capital” and “Bank” in the Contested Marks are likely to be considered allusive/descriptive, there may be some average consumers who do not pronounce those words. In those circumstances, the Contested Marks will be pronounced “DEE-EFF”. However, I bear in mind that differences in shorter marks tend to make more of an impact. This will create a between medium and high degree of aural similarity.

Conceptual Comparison

52. The letters DIF in the earlier mark, whether they are viewed as an acronym or an invented word, will convey no meaning to the average consumer. The letters DF in the Contested Marks will also convey no meaning to the average consumer. The conceptual position in relation to these letters is, therefore, neutral. However, the words “Capital” and “Bank” in the Contested Marks will convey their ordinary dictionary meaning, which have no counterpart in the earlier mark. Nonetheless, given the services in issue, I do not consider this to be a distinctive conceptual difference.

Distinctive character of the earlier trade marks

53. 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).”

54. 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, 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 by virtue of the use that has been made of it.

55. I will begin by assessing the inherent distinctiveness of the earlier mark. At the hearing, Mr Stobbs made his submissions on the inherent distinctive character of the earlier mark on the basis that it would be viewed as an acronym. In those circumstances, Mr Stobbs submitted that it would be inherently distinctive to an average degree. I will, therefore, proceed on that basis.

56. DIF states that it has been using its mark in the UK since 2008. DIF's UK turnover figures vary from over €2million in 2015 to over €8million in 2018. I recognise that the amount managed by DIF's investment fund is much higher. In the context of fund management, this must be a significant sum as it was listed as the 27th largest independent fund management company in the world in 2018. DIF has won a number of awards, mainly for particular projects (such as the Thames Tideway Tunnel), but I recognise that such awards are likely to have raised its profile in the UK. The services in issue are management of investment funds, banking, financial services and monetary affairs. Clearly, management of investment funds will also be a sub-category of the broader terms. At the hearing, Mr Stobbs conceded that any enhanced distinctiveness/reputation of the earlier mark could be in relation to fund management services only. Taking the evidence as a whole into account, I am satisfied that the distinctiveness of the earlier mark has been enhanced to a reasonably high degree in relation to management of investment funds only. There is nothing in the evidence before me to suggest that the earlier mark has acquired enhanced distinctive character through use in relation to banking, financial services and monetary affairs more broadly.

Likelihood of confusion

57. 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 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 earlier 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.

58. I have found the First and Second Contested Marks to be visually similar to the earlier mark to a low degree. I have found the Third Contested Mark to be visually similar to the earlier mark to a medium degree. I have found the Fourth Contested Mark to be visually similar to the earlier mark to between a low and medium degree. I have found the marks to be aurally similar to either between a low and medium degree or between a medium and high degree (depending upon how they are pronounced). I have found the letters DIF/DF to be conceptually neutral and, whilst the words “Capital” and “Bank” have no counterpart in the earlier mark, given the services in issue, I do not consider they will act as a distinctive point of conceptual difference. I have found the earlier mark to be inherently distinctive to an average degree. The distinctiveness of the mark has been enhanced to a reasonably high degree in relation to management of investment funds only. I have found the average consumer to be a member of the general public or a professional in the financial sector, who will pay at least between a medium and high degree of attention during the purchasing process (although, in some cases, the level of attention paid will be high). I have found the purchasing process to be predominantly visual, although I do not discount an aural component. I have found the services to be identical or highly similar.

59. Mr Ivision referred me to two decisions of the EUIPO which deal with the equivalent EU proceedings between the parties in opposition cases B003096290 and B003096376. I have read both of these decisions. I am, however, mindful that these

decisions are currently under appeal. Decisions of the EUIPO are, of course, not binding upon me and, whilst I have taken the reasoning of that Tribunal into consideration, I will decide this case afresh on its own merits.

60. At the hearing, Mr Ivison also referred to the absence of evidence of confusion. I recognise that both parties have been trading prior to the relevant dates. However, despite their overlapping specifications, there is nothing in the evidence which suggests to me that they actually operate within the same field. Consequently, it is not surprising that there is no evidence of actual confusion and I do not consider that this assists DFC.

61. At the hearing, Mr Stobbs directed me to a number of decisions (two of which were previous decisions of mine) with which he sought to draw an analogy with the present case. I have taken all of these cases into account but will refer to only a selection of them here. For example, Mr Stobbs referred me to my decision in *United Parcel Service of America, Inc. v Universal Delivery Solutions Ltd*, Case BL O/485/20, in which I found a likelihood of confusion between the mark UPS and the following mark:



However, to my mind, the cases referred to can clearly be distinguished from the present case. The UPS case concerned two marks that both consisted of three-letter acronyms, one of which had a device incorporated along with slogan-type text beneath it. Whilst the present case also concerns a mark which includes an acronym and some non-distinctive text (i.e. the words CAPITAL and/or BANK), the acronyms in question are 2-letters vs 3-letters. Consequently, the assessment in the present case is different.

62. Mr Stobbs also directed me to the case of *Tignum v The Qt Company* (R 1096/2015-2). On the face of it, that case is more akin to the present situation (at least, in respect of the respective acronyms) as it concerned the marks QT and QOT i.e. a 2-letter mark vs a 3-letter mark, with the differing letter appearing in the middle. However, in that case, the goods and services in question (which were different to

those in the present case) were found to give rise to either an average or higher than average level of attention, depending upon the particular goods or services in question. It was emphasised that the lower level of attention should be used for the purposes of assessing likelihood of confusion. Consequently, the decision was based upon an average consumer who was paying only an average degree of attention. In the present case, I have found that at least between a medium and high degree of attention will be paid by the average consumer. Further, DFC's marks contain additional (albeit not particularly distinctive words) i.e. CAPITAL and/or BANK. Consequently, that case can be distinguished from the present case.

63. At the hearing, Mr Ivison made submissions regarding the ability of the average consumer to differentiate between similar acronyms (for example, BC meaning 'Before Christ' and BBC meaning 'British Broadcasting Service'). Whilst this may be an attractive argument on the face of it, I am not persuaded by this line of reasoning. That is because the examples given by Mr Ivison were acronyms that the public have been educated about (often over a long period of time) in order to automatically identify their meaning and I note that some of the examples given by Mr Ivison (such as 'BC') are not actually trade marks.

64. At the hearing, Mr Stobbs put forward DIF's best case as relating to those services which attracted a lower degree of attention during the purchasing process (i.e. the low cost/no cost services referred to above). I have found above that the average consumer will pay between a medium and high degree of attention when purchasing those services. Those services will be outside of the scope of DIF's enhanced distinctiveness, but the earlier mark will still benefit from an average degree of inherent distinctiveness. DIF's best case, in those circumstances, is that the letters DF and DIF will be misremembered. I bear in mind the principle of imperfect recollection. However, even where the lower level of attention described above is being paid, and the words "Capital" and/or "Bank" are attributed little or no trade mark significance, I do not consider that the additional letter "I" in DIF's mark will be overlooked, particularly given the fact that both acronyms consist of only 2 or 3 letters and, as noted by Mr Ivison, differences in shorter marks tend to make more of an impact.¹⁹ I recognise that if the

¹⁹ See, for example *Deutsche Post AG v EUIPO*, Case T-118/16

words “Capital” and/or “Bank” are not pronounced, then the aural similarity is higher. However, as I have found that the purchasing process will be predominantly visual, I do not consider that enough to result in a likelihood of confusion. That will be the case even where only between a medium and high degree of attention is being paid.

65. For those consumers who operate within the sphere of DIF’s enhanced distinctiveness, I consider that this will be offset by the high degree of attention paid during the purchasing process for those services. For the same reasons, I do not consider that the additional letter ‘I’ will be overlooked. Having recognised the differences between the acronyms themselves (i.e. DIF v DF), I agree with Mr Ivison that there is no reason why the average consumer would conclude that the marks originate from the same or economically linked undertakings. Even if the addition of the words “Capital” and “Bank” are viewed as non-distinctive additions, it would not, to my mind, be a logical brand extension or alternative mark to add or remove one letter from the acronym under which a business operates.

66. Taking all of this into account, I do not consider there to be a likelihood of direct or indirect confusion.

67. The oppositions and invalidation based upon section 5(2)(b) are dismissed in their entirety.

Section 5(3)

68. Section 5(3) of the Act states:

“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 repute of the earlier trade mark.”

69. As noted above, by virtue of its earlier filing date, DIF’s mark qualifies as an earlier mark pursuant to section 6 of the Act. Given the date on which it was registered, it is not subject to the proof of use requirements in section 6A of the Act and DIF can rely upon all services identified.

70. I bear in mind the relevant case law set out in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The conditions of section 5(3) are cumulative. Firstly, DIF must show that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later marks. Thirdly, assuming the first and second conditions have been met, section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) that the services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

71. The relevant date for the assessment under section 5(3) is the date of application for the First, Second, Third and Fourth Contested Marks i.e. 28 November 2018, 20 March 2019, 5 September 2019 and 2 September 2018 respectively.

Reputation

72. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, 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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

73. In determining whether DIF has demonstrated a reputation for the services in issue, it is necessary for me to consider whether its mark will be known by a significant part of the public concerned with the services. In reaching this decision, I must take all of the evidence into account including "the market share held by the trade mark, the intensity, geographical extent and duration of use, and the size of the investment made by the undertaking in promoting it".

74. At the hearing, Mr Stobbs confirmed that the opponent does not claim that its reputation extends beyond "fund management". I have summarised the scope of DIF's evidence of use above. For the same reasons, I consider that DIF has demonstrated a reasonably strong reputation in relation to management of investment funds only. I am not satisfied that a reputation for management of investment funds only will result in DIF's reputation extending to a substantial part of the relevant public for the broader services in issue. However, I will go on to consider whether there would be any link made between the marks in relation to these, limited, services for which DIF has a reputation.

Link

75. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

I have found the First and Second Contested Marks to be visually similar to the earlier mark to a low degree. I have found the Third Contested Mark to be visually similar to the earlier mark to a medium degree. I have found the Fourth Contested Mark to be visually similar to the earlier mark to between a low and medium degree. I have found the marks to be aurally similar to either between a low and medium degree or between a medium and high degree (depending upon how they are pronounced). I have found the letters DIF/DF to be conceptually neutral and, whilst the words "Capital" and "Bank" have no counterpart in the earlier mark, given the services in issue, I do not consider they will act as a distinctive point of conceptual difference.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

The services are identical or, at the very least, highly similar. The relevant public will be members of the general public and professionals who will be paying at least between a medium and high degree of attention during the purchasing process (although, given the services for which DIF has established a reputation, the level of attention is likely to be high).

The strength of the earlier marks' reputation

The opponent has a reasonably strong reputation in respect of investment fund management services.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

The earlier mark has an average degree of inherent distinctive character, when viewed as an acronym. I have found that the distinctive character of the earlier mark has been enhanced through use in relation to investment fund management services only.

Whether there is a likelihood of confusion

For the reasons set out above, I do not consider there to be a likelihood of confusion.

76. Notwithstanding that the opponent has a reasonably strong reputation in the UK for investment fund management services and that the services are identical or highly similar, the differences between the marks mean that the relevant public will not make a link between the marks in use. The only common elements are the letters D and F which appear on their own, with the words "Capital" and/or "Bank" in the Contested Marks and separated by the letter "I" in the earlier mark. Taking into account the case law on the impact of differences in shorter marks, as well as my findings regarding the level of attention that will be paid, I consider that the absence of one out of the three letters in the earlier mark will avoid a link being made, even for those members of the relevant public who are familiar with DIF's reputation. If any link is made, then it will be too fleeting to result in damage arising.

77. The oppositions and invalidation based upon section 5(3) are dismissed in their entirety.

Section 5(4)(a)

78. Section 5(4)(a) of the Act states as follows:

"5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa)...

b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

79. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

80. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per

Interflora Inc v Marks and Spencer Plc [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant date

81. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of s.5(4)(a) of the Act and stated as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

82. The prima facie relevant date will be the date of the applications in issue. However, DFC has filed evidence of the use it has made of its own marks. I note that, from as early as August 2016, DFC has shown use of the following mark:²⁰



83. A print out from DFC’s website dated 4 September 2018 states “flexible finance solutions to help you grow your business”.²¹ At the hearing, Mr Stobbs submitted that

²⁰ Exhibit DR6

²¹ Exhibit DR3

the evidence filed by DFC was insufficient to establish an earlier relevant date. In particular, he noted that the evidence does not show where, when or in relation to what services the mark was used prior to the prima facie relevant date. For the reasons set out below, nothing will turn on this point. However, for the sake of completeness, as noted above, most of the evidence is dated and so I am satisfied with regard to the when that use commenced in 2016. As to the where, I agree that it is not entirely clear in what jurisdiction these materials might have appeared. However, DFC's website is a ".co.uk" domain name, indicating use in the UK market.²² As to the question of which services, I agree with Mr Stobbs that the position is far from clear. It appears that DFC has been offering some form of financial loan service for businesses, although the details of the operation are not entirely clear. Nonetheless, it is clear to me that DFC has been operating in the financial sector for a number of years which, given the specification upon which DIF relies for the purposes of these proceedings, will likely constitute the commencement of the behaviour complained about. I will, therefore, proceed on the basis that the prima facie relevant date will be the date of application for the First, Second, Third and Fourth Contested Marks i.e. 28 November 2018, 20 March 2019, 5 September 2019 and 2 September 2018 respectively and an earlier relevant date of August 2016.

Goodwill

84. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in customers. It is the one thing which distinguishes an old-established business from a new business at its first start."

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

²² Exhibit DR3

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

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

86. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

87. For the same reasons set out above, I consider that DIF has demonstrated goodwill in relation to management of investment funds at the prima facie relevant date. I recognise that there is less evidence relating to the position prior to the 2016 relevant date. However, even at that date, DIF had a reasonably high turnover in the UK and had been using its mark for a number of years. I consider that DIF had a reasonable goodwill for management of investment funds at the earlier relevant date, which increased to a reasonably strong goodwill by the prima facie relevant date. At both relevant dates, I consider that the sign relied upon was distinctive of that goodwill.

Misrepresentation and damage

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

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions

are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

89. I recognise that the test for misrepresentation is different from that for likelihood of confusion in that it entails “deception of a substantial number of members of the public” rather than “confusion of the average consumer”. However, as recognised by Lewison L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that to be the case here. Notwithstanding the parties’ operating within the same field of activity, I consider that the differences between the Contested Marks and the sign relied upon, particularly given the short lengths of the respective acronyms, will be sufficient to offset DIF’s reasonably strong reputation. This will particularly be the case given the level of attention that will be paid when selecting the services. Consequently, I do not consider that a substantial number of members of the relevant public would be misled into purchasing DFC’s services in the mistaken belief that they are the services of DIF. As there is no misrepresentation, there can be no damage.

90. The oppositions and invalidation based upon section 5(4)(a) are dismissed in their entirety.

CONCLUSION

91. The oppositions against application nos. 3356949, 3384822 and 3426406 are dismissed and the applications may proceed to registration.

92. The application for invalidation against trade mark no. 3335528 is dismissed.

COSTS

93. DFC has been successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award DFC the sum of **£2,400**, calculated as follows:

Filing counterstatements and considering DIF's	£600
Notices of opposition/invalidation	
Filing evidence and considering DIF's evidence	£1,000
Preparing for and attending hearing	£800
Total	£2,400

94. I therefore order DIF Management Holding B.V. to pay DF Capital Bank Limited the sum of £2,400. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 12th day of May 2021

S WILSON

For the Registrar