

O/800/21

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3455805 IN THE NAME
OF LGT GRUPPE STIFTUNG FOR THE SERIES OF TWO TRADE MARKS**

**LGT VESTRA SMARTHWEALTH
LGT Vestra Smartwealth**

IN CLASSES 35 AND 36

AND

**THE OPPOSITION THERETO UNDER NO. 420818
BY WEALTHKERNEL LIMITED**

AND

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 3444224 IN THE NAME
OF LGT GRUPPE STIFTUNG FOR THE SERIES OF TWO TRADE MARKS**

**LGT SmartWealth
LGT SMARTHWEALTH**

IN CLASSES 35 AND 36

AND

**THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO UNDER
NO. 503419 BY WEALTHKERNEL LIMITED**

Background and pleadings

1. This decision concerns a trade mark application and a trade mark registration owned by LGT Gruppe Stiftung (“LGT”). WealthKernel Limited (“WKL”) opposes the application and has applied to invalidate the registration, in both cases under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”).

2. LGT’s registration, 3444224, is for a series of two marks: LGT SmartWealth/LGT SMARTWEALTH. This was applied for on 14 November 2019 and registered on 7 February 2020. LGT’s application, 3455805, is also for a series of two marks: LGT VESTRA SMARTWEALTH/LGT Vestra Smartwealth. This was applied for on 6 January 2020 and published for opposition purposes on 21 February 2020. Both LGT’s application and registration are in respect of the same services in classes 35 and 36, which I set out later in this decision.

3. WKL claims that there is a likelihood of confusion under section 5(2)(b) with its two earlier marks registered in class 36 because they are similar and are for identical or highly similar services. I will set out the specifications later in this decision, but the mark details are:

i) 3131114 Filed 12 October 2015; registered 1 January 2016

WEALTHSMART

WEALTH SMART (series of two marks)

(ii) European Trade Mark (“EUTM”)¹ 16410789 Filed 27 February 2017; registered 12 June 2017²

Wealthsmart

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. Tribunal Practice Notice 2/2020 refers.

² Reliance upon the class 42 services of the EUTM in the opposition was withdrawn at the hearing.

4. LGT, in its defence and counterstatement, denies a likelihood of confusion, stating that the marks are not similar and neither are the services.

5. WKL's earlier marks had not completed their registration processes more than five years before the date the opposed application was filed or, in the case of the invalidation action, either at the date on which the contested registration was filed or the date when the application for a declaration of invalidity was filed. The respective dates mean that the earlier marks are not subject to proof that they have been used.³ As a consequence, WKL may rely upon notional and fair use of its services pleaded in both the opposition and the invalidation proceedings.

6. Both parties filed evidence and attended a hearing (via video conference) on 14 September 2021. Mr Jamie Muir Wood of Counsel, instructed by Trade Mark Wizards Limited, represented WKL. Mr Guy Tritton, of Counsel, instructed by Potter Clarkson LLP, represented LGT.

Evidence

7. WKL's evidence comes from Thuvakaran Shanmugarajah, a director of WKL.⁴ His witness statement is brief. Mr Muir Wood confirmed at the hearing that WKL makes no claim to enhanced distinctive character of its earlier marks through use. The purpose of Mr Shanmugarajah's evidence is to adduce a copy of a Trade Mark Registry decision which WKL submits supports its case in these proceedings.⁵ I will say more about this previous decision, later.

8. LGT's evidence comes from Patrick Moe, its Legal Counsel.⁶ Mr Moe gives evidence about LGT and also evidence about what he says is the lack of distinctiveness of 'Smartwealth' and Wealthsmart'. I will refer to this evidence at the appropriate points later in this decision.

³ See section 6A of the Act.

⁴ Witness statement dated 14 December 2020

⁵ BL O/094/18, *Wealthkernel Limited v UBS Group AG*.

⁶ Witness statement dated 12 February 2021

Decision

Section 5(2)(b)

9. Section 5(2)(b) of the Act states:

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

(a) ...

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

10. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.⁷

⁷ 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 Trade Marks Act relied on 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.

The principles

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

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

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

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

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

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

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

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

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

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

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

Comparison of services

11. I will begin with the parties' class 36 specifications (LGT's specifications in its application and registration are the same). The parties' respective services in class 36 are:

WKL's services	LGT's class 36 services
<u>EUTM</u> : Finance services; Personal finance services; Professional consultancy relating to finance; Advice on finance during retirement; Advice on finance for retirement; Arranging the provision of finance; Advisory services relating to finance; Consultancy services relating to finance; Information services relating to finance; Arranging the finance for home loans; Planning of finances relating to taxation; Advisory services relating to investments and	Financial affairs; monetary affairs; wealth management; wealth management services; financial services relating to wealth management; financial advice; financial investment advisory services; financial investment services; investment services; portfolio investment management; asset and portfolio management; management and development of investment portfolios; asset management services; fund

<p>finance; Loan and credit, and lease-finance services; Information services relating to finance, provided on-line from a computer database or the Internet; Investment advice; Advice relating to investments; Financial advice relating to investment; Advice relating to investment for retirement; Advice relating to investment during retirement; Investment advisory services; Financial investment advisory services; Advisory services relating to investments; Financial planning and investment advisory services; Insurance advice; Advice relating to insurance; Insurance advisory services; Advisory services relating to life insurance; Mortgage advice; Advice relating to mortgages for residential properties; Advisory services relating to mortgages; Providing advice relating to the arranging of mortgages.</p> <p><u>UK:</u> Investment by electronic means; Investment advisory services; Investment brokerage; Investment fund services; Investment management services; Investment; Investment advice.</p>	<p>investments; financial planning and management consulting; services in the field of investment and risk management; investment planning services; preparation of financial reports; financial forecasting; financial analysis; valuation of financial investments; fund management services; fiduciary services; information, consultancy and advisory services in relation to the aforesaid services.</p>
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12. The law requires that goods/services be considered identical where one party's description of its goods/services encompasses the specific goods/services covered by the other party's description (and vice versa): see *Gérard Meric v OHIM*, Case T-33/05, General Court ("GC"). In *Albingia Sa v Axis Bank Limited*, BL O/253/18, Professor Phillip Johnson, sitting as the Appointed Person, held at [50] that the term

'financial affairs' is very broad and would cover services which would be called financial services, an example of which would be dealing in stocks and shares. LGT's specification contains the term *financial affairs* and also *monetary affairs*, which appears to be equally wide. These terms are identical, on the *Meric* principle, with all of WKL's services.

13. I note that WKL's specification contains the term 'finance services'. If finance services is as broad a term as 'financial affairs', it follows that all of LGT's services are encompassed by WKL's finance services on the *Meric* principle. However, I am not certain that 'finance services' is as broad as financial affairs. This may not matter because, at the hearing, Mr Tritton submitted that, with the exception of asset management, risk management and fiduciary services, the parties' class 36 services are either identical or highly similar; further, Mr Tritton doubted it made much difference which services are identical and which are highly similar. If it becomes necessary for the assessment of a likelihood of confusion to determine which services are identical and which are highly similar, I will do so later in this decision. I will, however, make an assessment here about asset management, risk management and fiduciary services before looking at LGT's class 35 services against the specifications of the earlier marks.

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

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

15. In *Kurt Hesse v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-50/15 P, the CJEU stated that complementarity is capable

of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the GC stated that “complementary” means:

“82 ... there is a close connection between [the goods], 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...”.

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

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

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

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

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

19. Although Mr Tritton also submitted that there should have been evidence filed (by WKL) about why services are alleged to be similar, I consider that the terms in the specification are such that I am able to make an assessment without evidence, on the basis of common knowledge.

20. Mr Tritton submitted that asset management is management of assets such as property, fine arts, stocks and 'other' assets. He put this at a moderate level of similarity with unspecified services of the earlier marks. Asset management appears in LGT's specifications as *asset and portfolio management* and *asset management services*. In particular, I note that *asset and portfolio management* appears as a term between semi-colons, suggesting that management of asset[s] and management of portfolio[s] are categorised together. WKL has cover for investment management services. A portfolio is a collection of investments, and investments are assets. Consequently, I find LGT's *asset and portfolio management* and *asset management services* to be identical to WKL's investment management services and investment advice (the latter term appearing in the specifications of both earlier marks).

21. Mr Tritton submitted that risk management is not about investment finance, but is about assessing risk within a business. He put risk management at a low level of similarity with the services of the earlier marks. I note that risk management appears between two semi-colons in LGT's specifications: *services in the field of investments and risk management*, suggesting that these services are categorised together. It also suggests, as does the fact that the services are in class 36, that these services are about financial risk management. Whether to invest or not is necessarily about financial risk. I find that LGT's risk management is identical, or highly similar, to WKL's investment management services and investment advice (the latter term appearing in the specifications of both earlier marks).

22. As regards fiduciary services, these are, in Mr Tritton's submission, of a low degree of similarity with the services of the earlier marks. The reason given for a low level of similarity is that fiduciary services involve trustees, advisors, lawyers, compliance professionals and accountants acting in a position of trust; for example, in relation to offshore trusts. This accords with the definition in Collins English Dictionary:

if a noun, it denotes a person bound to act for another's benefit, as a trustee; if an adjective it means having the nature of a trust, or of or relating to a trust or trustee. I agree that there do not appear to be any obvious terms in the earlier mark's specifications, taking into account their core and natural meanings, that would cover such services. Mr Muir Wood, in reply, accepted Mr Tritton's point. Accordingly, I find a low degree of similarity between LGT's fiduciary services and the earlier marks' services.

23. The table below shows LGT's class 35 services against WKL's services:

WKL's services	LGT's class 35 services
<p><u>EUTM</u>: Finance services; Personal finance services; Professional consultancy relating to finance; Advice on finance during retirement; Advice on finance for retirement; Arranging the provision of finance; Advisory services relating to finance; Consultancy services relating to finance; Information services relating to finance; Arranging the finance for home loans; Planning of finances relating to taxation; Advisory services relating to investments and finance; Loan and credit, and lease-finance services; Information services relating to finance, provided on-line from a computer database or the Internet; Investment advice; Advice relating to investments; Financial advice relating to investment; Advice relating to investment for retirement; Advice relating to investment during retirement; Investment advisory services; Financial</p>	<p>Business management services; business consultancy services; business information services; business appraisals; economic forecasting; economic analysis services; information, consultancy and advisory services in relation to the aforesaid services.</p>

<p>investment advisory services; Advisory services relating to investments; Financial planning and investment advisory services; Insurance advice; Advice relating to insurance; Insurance advisory services; Advisory services relating to life insurance; Mortgage advice; Advice relating to mortgages for residential properties; Advisory services relating to mortgages; Providing advice relating to the arranging of mortgages.</p> <p><u>UK:</u> Investment by electronic means; Investment advisory services; Investment brokerage; Investment fund services; Investment management services; Investment; Investment advice.</p>	
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24. Mr Muir Wood submitted that there is similarity or an overlap between the parties' services because business services can include financial elements, and economic services are complementary to advice relating to finance, and to broad financial services. Mr Tritton submitted that business management and business consultancy should be confined to their core meanings relating to business, not specialist advice e.g. financial investment consultancy. He said that any business has a financial element and that business management is about operational matters; accepting similarity, but at a very low level. In relation to LGT's economic services, Mr Tritton submitted that they are very different to the WKL's services; economists and financiers being entirely different.

25. In *IG Communications Ltd v OHIM*, T-301/09, the GC compared services in classes 35 and 36, finding:

“56 Accordingly, as regards, first, ‘market research, market analysis and strategic marketing services’, ‘management consultancy services’ and ‘consultancy services relating to business operations’, such services will necessarily have financial implications for undertakings which intend, for example, to enter a new market and, in order to do so, would like to be apprised of the investments they will be required to make and the benefits which may be accrued. To that extent, there is a certain connection, or even a degree of complementarity, between those services and, in particular, ‘investment information and management services’ in Class 36.

...

57 As regards, third, ‘preparation of business reports’ services, it should be noted that, as is the case with ‘market research, market analysis and strategic marketing services’, a section of a business report will necessarily be devoted to the financial implications which the business activity contemplated may have.

58 Thus, while the services referred to above covered by the mark applied for are different, on account of their nature and intended use, from the services in Class 36 covered by the earlier marks, there is nevertheless a connection between them. The services in Class 35 identified at paragraph 49 above [market research, market analysis and strategic marketing services, management consultancy services and consultancy services relating to business operations] are mainly directed, having regard to their nature, at professional circles, in particular undertakings which, after having recourse to the services in Class 35, may need the services in Class 36. For example, if the market analysis is positive, the undertaking may wish to put its plan into practice, and, to that end, will need to have recourse to investment services. That connection is sufficiently close that it cannot be ruled out that consumers may think that the services are provided by one and the same undertaking. There is therefore a low degree of similarity between those services.”

26. In *Dome Consulting Limited v Dome Group Financial Advisors Limited*, Mr Thomas Mitcheson QC, sitting as the Appointed Person, considered the applicant's financial and investment services in class 36 against those of the opponent's earlier marks in class 35, which were business services for the construction industries.⁸ These had been found at first instance to be of low similarity on the basis, for example, that business advice may include financial aspects such as tax advice, the level of investment needed to enter a new market or reports on a business's financial health, giving rise to a degree of complementarity, although not pronounced. The Appointed Person upheld this finding on appeal.

27. It seems to me that WKL's *advisory services relating to investments and finance and planning of finances relating to taxation* could be provided to businesses to assist in the effective management of the monetary and other financial aspects of that business, including economic forecasting (of likely demand, income etc) in order to meet organisational and strategic goals. This would create a similarity in trade channels and a level of complementarity with undertakings providing operational business management and economic forecasting/analysis services. Consequently, I find that all of LGT's class 35 services are similar to those of WKL's EUTM to a low degree.

The average consumer and the purchasing process

28. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. The parties' services include some provided to the general public, and some to businesses and specialists. However, for all types of average consumer, an above average degree of thought will be given to the purchase (which WKL accepts is the case). For services provided to businesses, the degree of attention will be high. Purchasing will take place on a visual basis during (for example) consultation of websites, brochures and documentation, but, for both parties' services, there is also

⁸ BL O/489/20

likely to be oral use of the marks when professional advice is being given to prospective customers.

Comparison of marks

29. 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 analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

30. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

WKL’s marks	LGT’s marks
<u>EUTM</u> Wealthsmart <u>UK</u> WEALTHSMART WEALTH SMART	<u>Registration</u> LGT SmartWealth LGT SMARTWEALTH <u>Application</u> LGT VESTRA SMARTWEALTH LGT Vestra Smartwealth

31. WKL's EUTM is for the word Wealthsmart, which is identical to one of the series of two marks in its UK registration: WEALTHSMART. Consideration of WEALTH SMART is unlikely to improve WKL's position.

32. The earlier marks consists of two common words, Wealth and Smart, with neither word dominating the overall impression of the marks, which lies in the conjunction of the words. LGT's registration comprises two main elements: the letters LGT as the first element, and the conjunction of the words Smart and Wealth as the second element. Although the second element is eleven letters long, LGT is the first element which will be read. The overall impression of the mark is not dominated by either element. LGT's application contains a third element, Vestra, which sits between LGT and Smartwealth. Vestra, an invented word, carries more distinctive weight than the other two elements in the overall impression of the mark. However, any dominance as a result of this is marginal as it is sandwiched between LGT and Smartwealth.

33. Wealthsmart is similar to only one of the elements of the later marks: Smartwealth. Both of these elements comprise a conjunction of the same two dictionary words, but in reverse, creating a high degree of visual similarity. Bearing in mind the other elements of the later marks, there is a medium degree of visual similarity between WKL's marks and LGT Smartwealth and a low to medium degree of visual similarity with LGT Vestra Smartwealth.

34. The earlier marks comprise two syllables, whilst the later marks, respectively, comprise five and seven syllables. The order of the two common syllables is reversed, but as they are the same there is a degree of aural similarity. I find that it is medium to low in respect of LGT Smartwealth and low in respect of LGT Vestra Smartwealth.

35. LGT has no concept; nor does Vestra. LGT will be seen as a string of letters (perhaps an abbreviation for something) and Vestra will be seen as an invented word. I will address the distinctiveness of the earlier marks below, but note here that they are comprised of two ordinary dictionary words, as is the common component in the later marks. Wealth means the possession of a large amount of money, property etc. Smart means clever (whether a person or computer-controlled technology) or tidy/well-kept; in the context of the parties' services, the latter meaning is unlikely. I have

considered whether, grammatically, in the earlier marks 'wealth' qualifies 'smart'; and, whether because it is the other way around in Smartwealth that this may affect the concepts of the common elements. However, I think this sort of analysis is greater than what the average consumer would naturally do when faced with either mark. In both Wealthsmart and Smartwealth, the meanings of the two words wealth and smart are the same in combination as they are separately. This means that the concept of the common element is the same whichever way around the words appear. Taken as wholes, there is at least a medium degree of conceptual similarity between the earlier marks and LGT Smartwealth and a medium degree between the earlier marks and LGT Vestra Smartwealth.

Distinctive character of the earlier marks

36. 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.⁹ The only point of similarity between the parties' marks is Wealthsmart, the distinctiveness of which has been the subject of evidence and submissions. As WKL does not rely upon a claim to distinctiveness enhanced through use of its mark, I have only the inherent distinctive character of the earlier mark to consider, taking into account the guidance of the CJEU in *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* and reviewing the parties' evidence and arguments which go to this issue.¹⁰

37. WKL relies (as evidence) upon a previous decision of this tribunal in which the present opponent based its section 5(2)(b) opposition against an application (in class 36) for UBS SMARTWEALTH upon the same earlier UK registration as in these proceedings.¹¹ The decision went mostly in WKL's favour. Mr Tritton submitted that I should not take this decision into account. I acknowledge that a previous decision of this tribunal is not binding on me, nor is it of persuasive value. One of the later marks which I have to consider does not just consist of three letters and Smartwealth. I particularly note that different evidence was filed in the UBS SMARTWEALTH case to that which has been filed in the present proceedings. For instance, there was a

⁹ *Sabel BV v Puma AG*, Case C-251/95

¹⁰ Case C-342/97

¹¹ BL O/094/18

submission in the previous 'UBS' case that Wealthsmart would be understood along the lines of 'book smart' and 'street smart', but the Hearing Officer in that case had not heard of either term and declined to make such a finding. In the evidence in the present proceedings, there is a reference to 'book smart', which I address below.

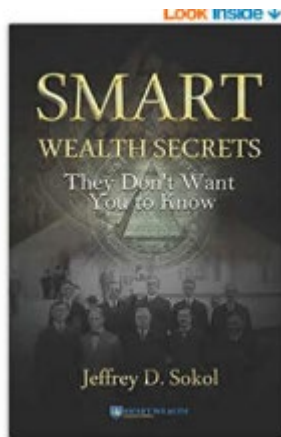
38. Some of Patrick Moe's evidence about the distinctiveness/descriptiveness of the words wealth and smart (in either order) does not appear relevant because it comes from outside of the UK. That does not show me how the average UK consumer for the parties' services would react to the common elements in the parties' marks. This includes the evidence about the meaning of 'book smart' and 'street smart'. Although the dictionary definitions provided come from UK dictionaries (Cambridge and Collins), the definitions specifically record that these are US terms.¹²

39. The evidence said to show descriptive use of smart as a prefix in the financial services trade comprises:¹³

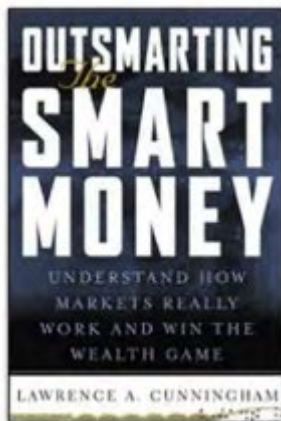
- Screenshots from the Barclays website as of 6 January 2020 referring to Smart Investor. This appears to be the name of a Barclays financial product; i.e. is trade mark use.
- Screenshots from a financial products review website called Smart Money People from 25 May 2019. The presentation of the words and the way in which they are used ("Your reviews power Smart Money People") suggest trade mark use.
- Screenshots from a financial provider's website, called Betterment, dated 4 September 2019, which refers to Betterment being a "smart money manager". However, this is a US website as revealed by the small print (and elsewhere) which refers to dollars.
- A screenshot from the UK Amazon website regarding a book published in December 2018 which appears to be use of smart and wealth in the title in the sense of 'Smart/clever secrets about wealth', rather than evidence of smart as a descriptive prefix.

¹² Exhibit PMM-7

¹³ Exhibit PMM-8



- A screenshot from the UK Amazon website regarding a book published in 2002 which is only available in used copy:



- A screenshot from a website called Smart Financial, as of 9 September 2019, which appears to be trade mark use:

Welcome to Smart Financial

Financial planning is about much more than money, it's about your life.

Our clients contact us for many reasons, for example:

- What should I do with the inheritance I've just received?
- Have I got enough money to retire?
- Should I consolidate my pensions? Am I saving enough into my pensions?
- How much do I need to sell my business for to have enough money to live for the rest of my life?

We work with professionals and business owners like you, to answer these questions and to help you use all your financial assets to facilitate the lifestyle you want.

When you work with Smart Financial you will have the confidence that your financial affairs are organised, simplified and understandable to you. Why is this important?

- An undated screenshot from a website called Pembrokeshire Wealth Management, but which refers to news archives up to and including December 2020, and refers to a Smart Money Magazine of 14 May 2020, after the dates on which the contested marks were filed.

- A screenshot from a website of an individual called Jon Dee, dated 7 April 2019, the anchor host and writer of Smart Money, a primetime TV programme on the Sky News Business Channel. However, although the screenshots refer to UK guests, they also show that this is an Australian programme.
- Screenshots from a website called Smart Money, dated 7 April 2019, which appears to be trade mark use:

Business

Smart Money provides solutions that enable Business to increase revenue and save substantial amounts of cash. We are experts in areas such as Missold Leases, LLP Formation, Capital Allowance Claims plus More. Please see the list of services from the menu for more information. [more](#)

Smart Money Revolution

Smart Money are experts in securing Consumer and Business Finance. Our mission is to empower individuals and business by reclaiming money that many clients did not know they were entitled to in the first place. Please see our [Services](#) section for more details.

- An undated screenshot from an entity called Smart which refers to a news article entitled “The Digital Pension – The Smart Pension Review”, dated July 31, 2018 but referring to UK consumers, despite the US date format. The website also refers to a product called Smart Pension.
- Screenshots from a website called Smart Money, as at 28 December 2018:

Welcome to Smart Money

Smart Money are a specialist finance broker and we work exclusively with mortgage advisers, IFA's and other financial introducers to provide them with access to our 4 key areas of expertise:

- Second Charge Loans
- Buy to Let Loans (1st and 2nd Charge)
- Bridging Finance
- Specialist 1st Charge Packaging

40. The evidence said to show descriptive use of smart as a suffix in the financial services trade comprises three items:¹⁴

- Screenshots from a website called bondsmart, from 22 December 2019:



- Screenshots from Wakefield council’s website, from 6 January 2020, referring to a free council service for financial advice called Money Smart.

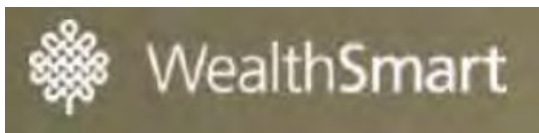
¹⁴ Exhibit PMM-9

- Screenshots from a financial education and advice website called Pennysmart, from 27 January 2019.

41. These three exhibits show use of ‘smart’ as part of a trade mark.

42. Mr Moe provides exhibits said to show that many financial services institutions have adopted Wealthsmart and Smartwealth.¹⁵ He states that financial services are offered internationally. This may be an explanation for why none of the ten items in Exhibit PPM-10 are from the UK: they are from entities and their websites located in the US, Switzerland, India, the Middle East/North Africa, Nigeria, Malaysia, Singapore and Spain. Some are after the relevant dates in these proceedings.

43. Mr Moe states that Wealthsmart is commonly used in relation to financial services, exhibiting screenshots of parties which trade under a name “which includes the “Wealthsmart” descriptor”. Again, none of the six items in Exhibit PMM-11 are from the UK (one is unattributed, and the dating format is of the US type): they originate from Canada, Australia, Singapore and the US and show use in a trade mark sense; e.g.



WealthSmart Solutions was born from our own search for risk free, taxed advantaged retirement solutions.

44. Use by other traders as a trade mark does not help to show that a component’s distinctiveness is diminished.¹⁶ None of the evidence is anywhere near sufficiently compelling to persuade me that Wealthsmart is of no or low distinctive character for financial services. The combination of ‘wealth’ and ‘smart’ does not describe with enough clarity any characteristic of the services of the earlier marks to find that it is

¹⁵ Exhibit PMM-10

¹⁶ See *Zero Industry Srl v OHIM*, Case T-400/06, GC, at paragraph 73; and, by analogy, *Nude Brands Limited v Stella McCartney Limited and others* [2009] EWHC 2154 (Ch), at paragraph 29.

descriptive. I find that the earlier marks have an average degree of inherent distinctiveness for the services for which they are registered.

Likelihood of confusion

45. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. In this case, the parties' services range from being identical (or at least highly similar) to being similar to a low degree.

46. LGT accepts that "LGT" is a housemark. Indeed, the evidence of Mr Moe shows that "LGT" is used as a housemark for LGT's Smartwealth products: on 29 August 2020, LGT launched a new product called LGT Smartwealth which is a portal through which clients can view their portfolio valuations and message their account managers.

47. WKL's view is that Smartwealth plays an independently distinctive role in the mark and that putting LGT/LGT Vestra in front of it will not militate against confusion with the earlier marks; such confusion typically arising in cases such as these where the common element might be seen as a sub-brand. LGT's view is that sub-brands do not appear by themselves without their corresponding house marks; there will be no confusion with the earlier marks because they are not prefaced with any element which is similar to the other elements of LGT's marks.

48. WKL accepts that this is not a case of direct confusion. Its argument is that there is indirect confusion. It is certainly the case that indirect confusion can arise where the common element, which has distinctive significance independently of the whole, is not identical, as happened in *Aveda Corporation v Dabur India Limited*.¹⁷ The common element is not visually or aurally identical in this case, but it is conceptually identical. It is also an element which is, in the earlier marks, of average distinctive

¹⁷ [2013] EWHC 589 (Ch)

character. This is important because, as observed by Arnold J (as he then was) in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* at paragraph 44, if the only similarity between marks arises from an element which has low distinctiveness, that points away from a likelihood of confusion.¹⁸

49. LGT's submission that confusion will not occur because sub-brands are not used without their house marks seems to me to contradict what the CJEU said in *Medion*, where the earlier mark was LIFE and the later mark THOMSON LIFE. Further, confusion works both ways, as observed in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation*.¹⁹ Mr Muir Wood referred me to the decision of Mr Iain Purvis QC, sitting as the Appointed Person in *L.A. Sugar Limited v Back Beat Inc*, submitting that the categories given in that case are non-exhaustive examples and that the present proceedings present a further category, that of a well-known brand being used with a sub-brand.²⁰ LGT Vestra LLP, LGT's UK licensee, generated profit of £15.89m in 2019, during which it had £9.86bn private client assets and £3.72bn institutional assets under administration. I am not convinced that LGT or LGT Vestra are well-known across the notional range of services covered by LGT's marks because LGT's company brochure, describes LGT Vestra LLP as a UK-based wealth management firm.²¹

50. However, I do not consider it matters whether LGT Vestra is well-known for any or all of LGT's services. Either way, the average consumer will interpret the separate elements of the contested marks as a housemark and a sub-brand or product variation because of the independent distinctive significance of the common element. The elements of the marks are unconnected. The identical meaning of the common element as presented in the parties' marks is prone to imperfect recollection, especially as there are similarities between the elements on visual and aural levels. This is the case even for those paying a high level of attention to the purchasing process because marks are rarely seen side by side. The conceptual hook of the

¹⁸ [2015] EWHC 1271 (Ch)

¹⁹ [2016] EWCA Civ 455

²⁰ BL O/375/10

²¹ Exhibit PMM-1

common elements will be that of the words wealth and smart, whichever way around, because they mean the same thing.

51. Mr Tritton submitted that the extra *LA Sugar* category is artificial. That the three categories in that case are non-exhaustive has recently been confirmed by the Court of Appeal in *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others*.²² Arnold LJ said, of the explanation given about how indirect confusion arises in *LA Sugar*:

“12. This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition. For example, one category of indirect confusion which is not mentioned is where the sign complained of incorporates the trade mark (or a similar sign) in such a way as to lead consumers to believe that the goods or services have been co-branded and thus that there is an economic link between the proprietor of the sign and the proprietor of the trade mark (such as through merger, acquisition or licensing).”

52. Mr Tritton also relied upon *Nicoventures Holdings Limited v The London Vape Company Limited* as support for no likelihood of confusion²³, based upon what he submitted was the low distinctiveness of Smartwealth. However, that case concerned common elements in both the earlier and later marks which were low in distinctiveness, either alone or in combination: VAPE and CO. I have found that the common element in the earlier marks is of average distinctive character. Given that the concept is the same for Wealthsmart as it is for Smartwealth, I think there would be a tension if I were to find that Smartwealth is devoid or low in distinctive character. Even if it is, that does not necessarily avoid a likelihood of confusion.²⁴

53. I am mindful that there will be an above average degree of attention paid to the purchasing process for some of the services, and a high degree for others. This is a point in LGT's favour. However, in my view there is a likelihood that the common

²² [2021] EWCA Civ 1207

²³ [2017] EWHC 3393 (Ch)

²⁴ *L'Oréal SA v OHIM*, Case C-235/05 P

element will be imperfectly recalled leading to indirect confusion where identical (or at least highly similar) services are concerned. Consumers mistaking Wealthsmart for Smartwealth and vice versa will assume that these are offerings by the same or an economically linked undertaking. Consequently, for LGT's class 36 services, with the exception of fiduciary services, I consider that WKL has made out its claim that there is a likelihood of (indirect) confusion. LGT's fiduciary services in class 36 and its class 35 services are similar to only a low degree with WKL's services. The differences between the marks, where the common element in the earlier mark is of average, but not high, distinctive character, combined with the low degree of similarity between the services, particularly where those are supplied business to business with the corresponding high attention level, is enough to avoid a likelihood of confusion.

Opposition outcome

54. The opposition succeeds against the class 36 services of LGT's application number 3455805 except for 'fiduciary services'. The application may proceed to registration for the class 35 services and for fiduciary services in class 36, but is refused for the other class 36 services.

Invalidation outcome

55. The application for a declaration of invalidity succeeds against the class 36 services of LGT's registration number 3444224 except for 'fiduciary services'. It may remain registered for the class 35 services and for fiduciary services in class 36 but, under section 47(6) of the Act, the registration is deemed never to have been made for the other class 36 services.

Costs

56. WKL has been successful against almost all of the class 36 services, and LGT has been successful in relation to its class 35 services and fiduciary services in class 36. Although the number of words used in LGT's specifications is greater in class 36 than in class 35, both the specifications are broad. Several of the class 36 terms are repetitive. Consequently, I consider that the parties have achieved a broadly equal measure of success and I order that each should bear its own costs.

Dated this 27th day of October 2021

Judi Pike

**For the Registrar,
the Comptroller-General**