

O/883/21

TRADE MARKS ACT 1994

**IN THE MATTER OF THE UK DESIGNATION OF INTERNATIONAL
REGISTRATION NO. 1523218
IN THE NAME OF GALAXY POWER VENTURES LIMITED
FOR THE TRADE MARK**



IN CLASSES 28 AND 41

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. OP000421700
BY REELPLAY PTY LTD**

BACKGROUND AND PLEADINGS

1. On 31 October 2019, International Registration (“IR”) no. 1523218 was registered for the trade mark shown on the cover page of this decision. With effect from the same date, GALAXY POWER VENTURES LIMITED (“the holder”) designated the United Kingdom for protection of the mark.

2. The designation was accepted and published for opposition purposes on 10 July 2020 in respect of the following goods and services:

Class 28: *Games and playthings; gymnastic and sporting articles not included in other classes.*

Class 41: *Publication of texts (other than publicity texts), namely publication of sport, competition and game instructions, educational materials; user instructions, education, providing of training; sporting and cultural activities, arranging and conducting of events in the fields of gaming, gaming competitions, recreation and entertainment; provision of the aforesaid services in electronic or computerised form; production and rental of television programmes, interactive entertainment, video recordings, television entertainment, radio entertainment; provision of interactive entertainment; videotaping; video-tape film production; provision of information relating to sports, accessible via a global computer network; lotteries or bookmaking services, namely conducting credit card-based prize games; information, consultancy and assistance with regard to the aforesaid services, included in this class; publication of articles relating to sports and other statistics, including odds.*

3. The designation is opposed by ReelPlay Pty Ltd (“the opponent”). The opposition was filed on 09 October 2020 and is based upon Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition is directed against all of the goods and services in the designation. The opponent relies upon the UK designation of its International Registration number 1536848, shown below, based on Australian Trade Mark No. 2045054 with a priority date of 18 October 2019:

MEGA REELS

4. The opposition relies upon all of the goods and services for which the earlier mark is protected, namely:

Class 09 *Software; downloadable software featuring games and entertainment; downloadable software featuring games and entertainment in the field of gaming; software applications for smart phones and other handheld electronic devices.*

Class 41 *Entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line; providing games and video games on line; provision of entertainment services via an online forum; game services provided online via a computer network; providing video games, computer games, through telecommunication or computer networks; providing information about video games and computer games.*

5. The opponent submits that the marks “MEGA REELS” and “WUXIA PRINCESS MEGA REELS” are highly similar, the element “MEGA REELS” being reproduced in its entirety within the holder’s mark. Further, the goods and services covered by the competing marks are extremely similar, if not identical. Consequently, it submits that there exists a likelihood of confusion on the part of the public, which includes a likelihood of association.

6. The holder filed a counterstatement denying the claims. It submits that the competing marks are similar to a low degree, with the element “MEGA REELS” being a non-distinctive component of its mark. By reason of the dissimilarity of the marks and the differences between the goods and services for which they are registered, it submits there is no likelihood of confusion between the holder’s mark and the opponent’s mark.

7. Only the holder filed written submissions which will not be summarised, but will be referred to as and where appropriate during this decision, and only the holder elected to file evidence. Neither party requested a hearing, therefore this decision is taken following a careful perusal of the papers.

8. In these proceedings, the opponent is represented by Barker Brettell LLP and the holder is represented by Raffles Haig Solicitors.

EVIDENCE

9. The holder filed evidence in support of its designation by way of a witness statement dated 03 August 2021 in the name of Kailash Sabapathy in his capacity as legal representative for the holder. Alongside the witness statement, Mr Sabapathy adduces 11 exhibits, labelled **Exhibit KS1** to **Exhibit KS11**, accordingly.

10. Mr Sabapathy states that the holder is an IP holding company that holds and administers rights on behalf of Gameplay Interactive, being a group of companies that produce whitelabel online gaming products.

11. The exhibits comprise screenshots taken from various sources, including *inter alia*, the Gameplay Interactive web pages; YouTube; as well as from the opponent's own web pages. I do not intend to summarise each individual exhibit, but will instead refer to the evidence as I consider necessary within this decision.

DECISION

12. The opposition is based upon Section 5(2)(b) of the Act, which reads as follows:

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

...

(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”.

13. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK), European Union trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

...”

14. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions. As the trade mark had not been protected for more than five years at the date the designation was filed, it is not subject to the proof of use provisions contained in section 6A of the Act. The opponent is, therefore, entitled to rely upon it in relation to all of the goods and services indicated without having to prove that genuine use has been made of them.

15. Although the UK has left the European Union, 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 on in these proceedings are derived from an EU Directive. Therefore, this decision contains references to the trade mark case-law of the European courts.

Section 5(2)(b) –

16. I am guided by the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (“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 goods and services

17. In *Canon*, Case C-39/97, the Court of Justice of the European Union (“CJEU”) stated that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their

intended purpose and their method of use and whether they are in competition with each other or are complementary”.¹

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

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

19. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers

¹ Paragraph 23

may think that the responsibility for those goods lies with the same undertaking".²

20. The goods and services to be compared are:

Opponent's goods and services	Holder's goods and services
<p><u>Class 09</u> <i>Software; downloadable software featuring games and entertainment; downloadable software featuring games and entertainment in the field of gaming; software applications for smart phones and other handheld electronic devices.</i></p>	
	<p><u>Class 28</u> <i>Games and playthings; gymnastic and sporting articles not included in other classes.</i></p>
<p><u>Class 41</u> <i>Entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line; providing games and video games on line; provision of entertainment services via an online forum; game services provided online via a computer network; providing video games, computer games, through telecommunication or computer networks; providing information about video games and computer games.</i></p>	<p><u>Class 41</u> <i>Publication of texts (other than publicity texts), namely publication of sport, competition and game instructions, educational materials; user instructions, education, providing of training; sporting and cultural activities, arranging and conducting of events in the fields of gaming, gaming competitions, recreation and entertainment; provision of the aforesaid services in electronic or computerised form; production and rental of television programmes, interactive entertainment, video recordings, television entertainment, radio entertainment; provision of interactive entertainment; videotaping; video-tape film production;</i></p>

² Paragraph 82

	<p><i>provision of information relating to sports, accessible via a global computer network; lotteries or bookmaking services, namely conducting credit card-based prize games; information, consultancy and assistance with regard to the aforesaid services, included in this class; publication of articles relating to sports and other statistics, including odds.</i></p>
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21. For the purposes of considering the issue of similarity of goods and services, it is permissible to consider groups of terms collectively where appropriate. In *Separode Trade Mark*, BL O-399-10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, said:

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”³

22. In *Gérard Meric v OHIM*, Case T-133/05, the GC stated that:

“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”.⁴

³ Paragraph 5

⁴ Paragraph 29

23. While making my comparison, I bear in mind the comments of Floyd J. (as he then was) in *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch):

"... 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."⁵

24. 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."

25. In its Statement of Grounds the opponent submits that the goods and services covered by the earlier mark are either identical or "extremely similar" to those covered by the holder's mark, but has not made a direct comparison between them or qualified the identity or level of similarity it believes to be shared for each good or service.

Class 28

⁵ Paragraph 12

26. In its written submissions, the holder accepts that the opponent's Class 9 goods are similar to its Class 28 goods to a moderate degree, comparing its "*Games and playthings*" with the opponent's "*downloadable software featuring games and entertainment*".⁶ I agree that there is an overlap in end users and uses of the respective goods and that although the physical nature of the goods are different, they will share the same trade channels, resulting in a medium degree of similarity.

27. The holder has not specifically considered its "*gymnastic and sporting articles not included in other classes*" against the goods and services of the earlier mark. While the "*Software*" of the earlier mark could be in relation to gymnastic and sporting activities, leading to an overlap in users, the competing goods are different in nature, method of use and trade channels. To my mind, the average consumer would not expect both goods to be provided by the same or economically linked undertakings. Consequently, I find the "*gymnastic and sporting articles not included in other classes*" to be dissimilar to "*software*". In my view, none of the remaining earlier goods and services puts the opponent in any better a position.

Class 41

28. The holder concedes that its "*production and rental of interactive entertainment; provision of interactive entertainment*" and its "*lotteries or bookmaking services, namely conducting credit card-based prize games*" could encompass similar services to those within the opponent's Class 41 specification, rendering them moderately similar, but has not made a direct comparison with the services of the earlier mark. It further submits that the remaining services in Class 41 are dissimilar to the opponent's goods and services.⁷ I will therefore consider the level of similarity and identity between the holder's services and the opponent's goods and services.

29. The term "*entertainment services*" in the opponent's "*entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line*" encompasses the holder's "*provision of interactive*

⁶ See paragraph 19 of the written submissions dated 04/08/2021.

⁷ See paragraphs 20 - 23 of the written submissions dated 04/08/2021.

entertainment". While I note that *Avnet* guides me to carefully scrutinize specifications for services, and I further note that the opponent's specification goes on to list some of the types of entertainment services that are included, the word "*including*" must be taken as giving examples of, rather than limiting the services to, "*procuring or providing video games, poker games, games of chance and gambling games on line*". Consequently, I construe the term "*provision of interactive entertainment*" to be covered by "*entertainment services*" broadly and as such, I find the competing services to be identical as per *Meric*.

30. I construe the term "*namely*" in the holder's "*lotteries or bookmaking services, namely conducting credit card-based prize games*" as limiting the services to "*conducting credit card-based prize games*". As such, the opponent's term "*entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line*" would cover the holder's "*conducting credit card-based prize games*", therefore the terms are *Meric* identical.

31. In my view, the term "*games services*" in the opponent's "*game services provided online via a computer network*" would also cover (online) "*events*" in the holder's "*arranging and conducting of events in the fields of gaming, gaming competitions, recreation and entertainment; provision of the aforesaid services in electronic or computerised form*", and I therefore find the competing services to be identical as per *Meric*.

32. "*Rental of television programmes, interactive entertainment, video recordings, television entertainment, radio entertainment*". In my view, rental services of this nature may be accessed directly by the viewer/listener or participant as the end-user, and as such, while I accept that the subject matter may also be of an educational nature, the television programmes and video recordings may be considered as entertainment, and are therefore encompassed within the opponent's broad term "*entertainment services...*". I find the competing services to be identical as per *Meric*.

33. In the opponent's "*entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line*", I again interpret "*including*" as giving examples of, rather than limiting the services to, "*procuring or*

providing video games, poker games, games of chance and gambling games on line". To my mind, entertainment services could include those of a cultural nature and I therefore consider the opponent's services to be *Meric* identical to the holder's "*...cultural activities; provision of the aforesaid services in electronic or computerised form*". If I am wrong in this, then I consider there to be an overlap in end users and in nature, purpose and channels of trade. Consequently, I find them to be highly similar.

34. "*User instructions; provision of the aforesaid services in electronic or computerised form*". I construe the term "*user instructions*" in Class 41 as referring to the service of providing non-downloadable instructions, and not as a publishing service in itself. The purpose of these services is to instruct the user on how to participate in the "*Entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line*", and as such there is a clear complementary relationship between them, with an overlap in end users and trade channels. As per *Hesse*, it is my view that the average consumer would expect the provision of user instructions to lie with the same undertaking as the provider of the games themselves. I therefore find the competing services to be similar to at least a medium degree.

35. I acknowledge that the subject matter of the television programmes and video recordings in the holder's "*production of television programmes, interactive entertainment, video recordings, television entertainment, radio entertainment; videotaping; video-tape film production*" may be in relation to entertainment, resulting in an overlap in end users of the earlier "*entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line*". However, to my mind, the core meaning of production and videotaping services is of a technical nature, and as such, all of the aforementioned services are likely to be supplied to broadcasters or other content providers. The competing services are therefore different in nature, method of use and purpose, as well as channels of trade, and I consider it unlikely that the average consumer would expect them to be provided by the same undertaking. Consequently, I find the services to be dissimilar.

36. *“Publication of texts (other than publicity texts), namely publication of sport, competition and game instructions, educational materials; provision of the aforesaid services in electronic or computerised form; publication of articles relating to sports and other statistics, including odds”*. While the product of these services may entertain, that is not the core meaning and I am guided by *Avnet* in confining the terms to their core meanings. *“Publication of texts...”* is a publishing service and not an *“entertainment service”*. Consequently, the applicant’s various *“publication services”* are different in nature to *“entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line”*. The users are likely to be different, as is their method of use and intended purpose. I therefore find the services to be dissimilar.

37. In my view, the purpose of *“education, providing of training; provision of the aforesaid services in electronic or computerised form”* is different to the purpose of entertainment, with different users, uses and channels of trade. I consider it to be dissimilar to the earlier *“Entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line”*.

38. As considered previously, to some consumers, *“sporting ... activities; provision of the aforesaid services in electronic or computerised form”* would be seen as a form of entertainment. However, as per *Avnet*, I see no justification in giving the terms an unduly wide interpretation and therefore consider these services to be different in use and nature, with different users and channels of trade to *“Entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line”*. Consequently, I find the services to be dissimilar.

39. In my view, the *“provision of information relating to sports, accessible via a global computer network”* is dissimilar to *“Entertainment services including procuring or providing video games, poker games, games of chance and gambling games on line”*, being different in use and nature, and with different users and channels of trade.

40. *“Information, consultancy and assistance with regard to the aforesaid services, included in this class.”* Although the methods of use and nature of providing information and assistance about the respective services is different to the provision

of the actual services, provision of a consultancy service has a clear complementary relationship with the provision of the aforementioned services themselves, with an overlap in end users and trade channels. I consider that the average consumer would expect the same undertaking to provide both services. I therefore find the term to be similar to a medium degree for wherever I found similarity for the earlier services, as considered in the previous paragraphs.

41. A degree of similarity between the goods and services is essential for there to be a finding of likelihood of confusion. In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

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

42. In relation to the goods and services which I have found to be dissimilar, as there can be no likelihood of confusion under section 5(2)(b), I will take no further account of such goods and services, with the opposition failing to that extent.

The average consumer and the nature of the purchasing act

43. 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. (as he was then) described the average consumer in these terms:

“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 word

“average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.⁸

44. 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.

45. In its written submissions, the holder submits that consumers fall into two categories: business intermediaries looking to license (the opponent’s) games and who would pay a high degree of attention to the selection process; and consumers who use or access gaming websites and who will pay at least an average degree of attention to the purchasing process.

46. In my view, the average consumer for the competing services will most likely be a member of the public with an interest in gaming as a form of entertainment, or in gambling as a regular pastime, or they may be a professional gamer or gambler. The services are likely to be accessed frequently, and the level of attention will be commensurate with the size of the stake or prize, which will range from relatively low to comparatively high.

47. Purchases of games and software in relation to gaming are likely to be bought relatively frequently, where the hobbyist will pay at least an average degree of attention to the genre of games they wish to play and the features and player options available, while the professional gamer will pay a high level of attention to their selection. The goods may be sold through a range of channels including via online sales or through a high street retail outlet, with the purchasing process being a combination of visual and aural: some consumers would seek information from written reviews and recommendations, particularly on the internet, whereas other consumers would receive verbal recommendations and advice from sales representatives, as well as from fellow gamers.

⁸ Paragraph 60

Comparison of marks

48. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo SA v OHIM* Case C-591/12P, 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.”⁹

49. 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.

50. The respective trade marks are shown below:

Opponent's trade mark	Holder's trade mark
MEGA REELS	

⁹ Paragraph 34

Overall impression

51. The opponent's mark consists of two words, "MEGA" and "REELS", presented equally in capital letters in a standard black font without any other elements to contribute to the overall impression. The word "MEGA" qualifies the subsequent word "REELS", resulting in the words hanging together as a unit. The overall impression conveyed by the mark therefore rests in the unit created by the combination of the words it comprises, the whole of which describes reels which are particularly large in size.

52. The holder's mark consists of four words, the first two words being "WUXIA PRINCESS" which are presented side by side in a stylised green font with a thin outline in yellow around each individual letter. The space between the words "WUXIA" and "PRINCESS" is minimal, however, although all the letters are in capitals, the letter W and the letter P are slightly larger than the remaining letters and thus show a natural break between the words. Each of the letters are also embellished with yellow flourishes, and are shadowed in brown, giving a 3D effect to the words. Above the letter "l" in each of the words is a small device element, which the holder states represent ornamental knots. The words "MEGA REELS" are positioned side by side beneath and central to the words "WUXIA PRINCESS". They are presented in capitals in the same font as "WUXIA PRINCESS", but are slightly smaller in size, with a discernible space between the individual words. They are presented in red with a yellow outline, with the same brown shading behind the letters as previously. In my view, due to their size and position, the words "WUXIA PRINCESS" make the largest contribution to the overall impression of this composite mark. The holder submits that the words "MEGA REELS" are non-distinctive, and I will come back to this later in my decision, however, to my mind, although it makes a slightly lesser contribution to the overall impression of the mark, the "MEGA REELS" component will not go unnoticed. While the stylisation of the mark cannot be ignored, the knot devices are likely to be overlooked and it is the words "WUXIA PRINCESS" to which the average consumer will pay the most attention.

Visual comparison

53. As submitted by the opponent, the words “MEGA REELS” are reproduced in their entirety within the holder’s mark. However, the opponent’s mark comprises solely of these two words, presented side by side in a standard font, while the holder’s mark comprises four stylised words, presented in a multi coloured font over two lines, the whole of which is further embellished with decorative features which play no part in the earlier mark. The length of the respective signs and the stylisation of the holder’s mark is a noticeable difference between the competing marks. In my view, the contested mark is similar to the earlier mark to no more than a medium degree.

Aural comparison

54. To some consumers, only the words “WUXIA PRINCESS” will be articulated in the holder’s mark, giving no aural similarity between the competing marks. However, other consumers will pronounce all four words “WUXIA PRINCESS MEGA REELS”. Where the latter applies, the common element to both marks “MEGA REELS” will be pronounced identically, leading to what I consider to be a medium degree of aural similarity between the marks..

Conceptual comparison

55. For a conceptual message to be relevant, it must be capable of immediate grasp by the average consumer. In my view, a significant proportion of consumers will see the words “MEGA REELS” which are common to both marks, as allusive of the goods and services, being games based on machines with reels, with the additional words “WUXIA PRINCESS” in the holder’s mark being a point of differentiation between the two. I would expect the majority of consumers to see the words “WUXIA PRINCESS” as the dominant element which refers to the subject matter of the games, which the holder submits is a well-known Chinese fantasy film and novel genre.¹⁰ Even if the consumer is unaware of the genre, and perceive the word “WUXIA” as an invented word, in combination with the word “PRINCESS”, it is still likely to be regarded as the theme of the games. I also acknowledge that to some consumers, the “WUXIA PRINCESS” element may be seen as the particular line of goods and services or the

¹⁰ See paragraph 10 of the witness statement dated 03 August 2021.

company providing them. In either case, I cannot agree with the holder that the term “MEGA REELS”, which plays a secondary role in its mark, is either descriptive or non-distinctive.¹¹

56. The opponent’s mark has no other element than the words “MEGA REELS” to be compared with the contested mark. Taking the above into account, overall, I find the marks to be conceptually similar to no more than a medium degree.

Distinctive character of the earlier mark

57. The distinctive character of a trade mark can be appraised only, first, by reference to the goods and services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

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

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

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested

¹¹ See paragraphs 56 -62 of this decision regarding the distinctive character of the earlier mark.

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).”

59. Registered trade marks can possess varying degrees of inherent distinctive character, being low where they are allusive or suggestive of a character of the goods and services, whereas invented words usually have the highest degree of distinctive character. The distinctiveness of a mark can be enhanced by virtue of the use made of it. The opponent has not claimed that its mark has enhanced distinctiveness and it has filed no evidence. Therefore, I only have the inherent characteristics of the mark to consider.

60. In its counterstatement and written submissions, the holder submits that the term “REELS” is descriptive of slot machines, and “MEGA” is a non-distinctive, laudatory term that is common in trade in relation to the goods and services for which the opponent’s mark is filed. While “slot machines” themselves do not form part of the opponent’s specification of goods, I acknowledge that it is possible to have downloadable games software, or to play online versions of games that replicate slot machines which may be encompassed within the opponent’s “*game services provided online via a computer network*”.

61. The holder further submits that the opponent’s failure to file evidence suggests that it has no evidence of use that would enhance the distinctive character of its mark, and has drawn a comparison between the earlier mark with the findings of Mr Justice Arnold in *Supreme Petfoods Ltd v Henry Bell & Co (Grantham) Ltd* [2015] EWHC 256 (Ch) at [185] where it was found that a common non-distinctive element is insufficient for a likelihood of confusion.

62. With regard to the holder’s submissions that the earlier mark is descriptive and non-distinctive, it is a registered trade mark and as such it must be regarded as having at least a minimum level of distinctive character. I refer to *Formula One Licensing BV v OHIM*, Case C-196/11P where the CJEU held that:

“41.it is not possible to find, with regard to a sign identical to a trade mark protected in a Member State, an absolute ground for refusal, such as the lack of distinctive character, provided by Article 7(1)(b) of Regulation No 40/94 and Article 3(1)(b) of Directives 89/104 and 2008/95. In this respect, it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character.

42. It is true that, as is clear from paragraph 48 of the judgment under appeal, where an opposition, based on the existence of an earlier national trade mark, is filed against the registration of a Community trade mark, OHIM and, consequently, the General Court, must verify the way in which the relevant public perceives the sign which is identical to the national trade mark in the mark applied for and evaluate, if necessary, the degree of distinctiveness of that sign.

43. However, as the appellant rightly points out, their verification has limits.

44. Their verification may not culminate in a finding of the lack of distinctive character of a sign identical to a registered and protected national trade mark, since such a finding would not be compatible with the coexistence of Community trade marks and national trade marks or with Article 8(1)(b) of Regulation No 40/94, read in conjunction with Article 8(2)(a)(ii).”

63. I accept that the term “MEGA” is often used to emphasize the size or importance of an object, and that the word “REEL” may refer to a cylindrical object. Overall, I consider that the combination “MEGA REELS” to be allusive of the opponent’s goods and services. As such, I find the mark to be at the lower end of the spectrum of distinctiveness, although not the very lowest degree.

Likelihood of confusion

64. There is no simple formula for determining whether there is a likelihood of confusion. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind.

65. It is clear then that I must make a global assessment of the competing factors (*Sabel* at [22]), keeping in mind the interdependency between them i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods/services and vice versa (*Canon* at [17]). In making my assessment, I must consider the various factors from the perspective of the average consumer, bearing in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

66. There are two types of possible confusion: direct, where the average consumer mistakes one mark for the other, or indirect, where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/goods and services down to the responsible undertakings being the same or related. The distinction between these was explained by Mr Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v Back Beat Inc*, Case BL-O/375/10. He said:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

67. The above are examples only which are intended to be illustrative of the general approach. These examples are not exhaustive but provide helpful focus.

68. Earlier in this decision, I found that:

- The level of attention of the general public or professional gamer or gambler as the average consumer of the services will range from low to high, dependent on the size of the prize;
- For the competing games and software products for which I found there to be a medium degree of similarity, the hobbyist will pay at least an average degree of attention to the purchasing process, while the professional gamer will pay a high level of attention to their selection;
- For all consumers, the selection of the goods and services at issue will be a combination of visual and aural;

- The competing trade marks are visually similar to no more than a medium degree;
- The marks are aurally similar to a medium degree where the holder's mark is voiced as "WUXIA PRINCESS MEGA REELS", however, where only the first two words "WUXIA PRINCESS" are articulated, there is no aural similarity between the marks;
- The marks share no more than a medium degree of conceptual similarity;
- The inherent distinctive character of the earlier mark is at the lower end of the spectrum, although not the very lowest.

69. In its written submissions dated 11 October 2021, the holder submits that the "MEGA REELS" element of its mark is non-distinctive and does not have an independent significance in "WUXIA PRINCESS MEGA REELS" and directs me to paragraphs 19-21 of *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), where Arnold J. (as he was then) considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. As mentioned previously, I consider the words "MEGA REELS" to be allusive, albeit with a low degree of distinctive character, rather than descriptive of the goods and services. Consequently, I consider that as per *Medion*, the words "MEGA REELS" in the composite mark "WUXIA PRINCESS MEGA REELS" do have an independent, distinctive significance.

70. The holder further submits that the same conclusion of no likelihood of confusion should be drawn in this case as was found by the High Court in its decision comparing the earlier mark ORIGIN with the application for JURA ORIGIN.¹² However, the circumstances in the case before me are somewhat different, and I bear in mind the decision of the CJEU in *L'Oréal SA v OHIM*, Case C-235/05 P, in which the CJEU confirmed that weak distinctive character of the earlier trade mark does not preclude a likelihood of confusion.¹³

¹² *Whyte and Mackay Limited v Origin Wine UK Limited and Dolce Co Investing* [2015] EWHC 1271 (Ch)

¹³ Paragraph 45.

71. Taking into account the guidance of Mr Iain Purvis Q.C. on likelihood of confusion, while bearing in mind that the average consumer is unlikely to see the marks side-by-side and will therefore be reliant on the imperfect picture of them they have kept in their mind, I consider it unlikely that they would mistake one mark for the other. To my mind, the average consumer will notice the differences between the marks. I therefore find that there is no likelihood of direct confusion.

72. Having found no likelihood of direct confusion between the marks, I will now consider whether there might be a likelihood of indirect confusion. Here the average consumer recognises that the marks are different but assumes that the goods are the responsibility of the same or connected undertakings. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

73. Bearing in mind the competing factors in my decision and the principle of interdependency between them, given the identity/similarity of goods and services, and that the earlier mark is encompassed in its entirety within the contested mark, I consider that, notwithstanding the low degree of distinctive character of the earlier mark, a significant proportion of consumers would assume that the addition of the stylisation and words “WUXIA PRINCESS” to the words “MEGA REELS” represents either a refresh of the opponent’s mark or a sub-brand which, depending on the perception of the consumer, includes either the subject matter of the goods and services, or the name of a line of goods or services or the company responsible for them. I find that there is a likelihood of indirect confusion in relation to all the goods and services for which I found similarity.

74. The claim under section 5(2)(b) succeeds with respect to the following goods and services in Classes 9 and 41:

Class 9

Games and playthings.

Class 41

User instructions; cultural activities, arranging and conducting of events in the fields of gaming, gaming competitions, recreation and entertainment; provision of the aforesaid services in electronic or computerised form; rental of television programmes, interactive entertainment, video recordings, television entertainment, radio entertainment; provision of interactive entertainment; lotteries or bookmaking services, namely conducting credit card-based prize games; information, consultancy and assistance with regard to the aforesaid services, included in this class.

75. The opposition fails in respect of the remaining goods and services.

Conclusion

76. The opponent has been partially successful. Subject to any successful appeal, the IR may be designated for protection in the UK in respect of the following goods and services:

Class 9

Gymnastic and sporting articles not included in other classes.

Class 41

Publication of texts (other than publicity texts), namely publication of sport, competition and game instructions, educational materials; education, providing of training; sporting activities; provision of the aforesaid services in electronic or computerised form; production of television programmes, interactive entertainment, video recordings, television entertainment, radio entertainment; videotaping; video-tape film production; provision of information relating to sports, accessible via a global computer network; information, consultancy and assistance with regard to the aforesaid services, included in this class; publication of articles relating to sports and other statistics, including odds.

Costs

77. Both parties have enjoyed a share of success. As both parties have achieved what I consider as a roughly equal measure of success, I direct that each party should bear their own costs.

Dated this 7th day of December 2021

Suzanne Hitchings
For the Registrar,
the Comptroller-General