

O/704/22

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. WO0000001445918

IN THE NAME OF L1 CAPITAL PTY LTD

FOR THE FOLLOWING TRADE MARK:

L1 CAPITAL

IN CLASSES 35 & 36

AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY

UNDER NO. 503281 BY

LETTERONE INVESTMENT HOLDINGS S.A.

BACKGROUND AND PLEADINGS

1. L1 Capital Pty Ltd (“the holder”) is the registered owner of the international registration shown on the cover page (“the IR”). The IR was registered on 30 November 2018 and, with effect from the same date, the holder designated the UK as a territory in which it seeks to protect the IR under the terms of the Protocol to the Madrid Agreement. It was granted that protection in the UK on 18 July 2019 and enjoys a priority date of 15 November 2018. The IR stands registered for the following services:

Class 35: Market reporting services; preparation of business reports; preparation of commercial reports; preparation of economic reports; writing of business reports; business management advisory services; consultancy relating to business management; corporate management consultancy; business consultancy.

Class 36: Capital fund investment; financial investment; financial investment management services; investment; investment asset management; investment business services; investment management; investment portfolio management services; monitoring of investment funds; financial services; provision of information relating to financial services; capital fund management; provision of investment information; real estate financing; real estate leasing; real estate management; real property management; financial asset management; management of financial assets; management of property; management of shares; property portfolio management; corporate funds management; share management; share portfolio management; share services; preparation and analysis of financial reports; preparation of financial reports; trading in bonds; advisory services relating to money management; management of finances; advisory services relating to finance; personal finance services; financial fund management; financial

investment fund services; investing of funds; investment fund management; investment of funds; management of funds.

2. On 13 August 2020, Letterone Investment Holdings S.A. (“the applicant”) applied to have the IR declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). In making its application, the applicant initially relied upon sections 5(2)(b), 5(3) and 5(4)(a) of the Act. However, by way of a letter dated 21 July 2022, the applicant confirmed that it had withdrawn the 5(3) ground, leaving only the 5(2)(b) and 5(4)(a) grounds.

3. Under its 5(2)(b) ground, the applicant relies on the following mark:

L1 Technology

UK registration no. 3103138

Filing date 9 April 2015; registration date 14 August 2015

Relying on some services, namely:

Class 36: Financial services, namely, investment advice, investment management, investment consultation and investment of funds for others, including private and public equity and debt investment services; private equity consultant services; private equity fund investment services; providing venture capital, development capital, private equity and investment funding; financial services, namely, raising debt and equity capital for others; financial advice; advice relating to investments; equity capital investment; financial and investment services, namely, asset and investment acquisition, consultation, advisory and development; Investment banking services; hedge fund investment services; financial services, namely, dealing in securities as a market maker and in trading commodities, securities, options, futures, equities and fixed income products in the U.S. and overseas market securities; financial services, namely, operation and management of hedge funds, commodity pools and other collective investment vehicles,

and trading for others of securities, options, futures, derivatives, debt instruments and commodities; consultancy, information and advisory services relating to any of the aforesaid services.

4. In respect of the above, the applicant claims that in view of the strong similarity between the marks and the services at issue, there exists a likelihood of confusion on the part of the public which includes a likelihood of association.
5. Under its 5(4)(a) ground, the applicant initially relied upon two earlier rights, however, in filing its skeleton arguments ahead of the hearing, it limited the 5(4)(a) ground to just one earlier right, being the unregistered right "L1" which it claims to have used throughout the UK since May 2015 for the same services listed above under the 5(2)(b) ground.
6. In respect of this ground, the applicant claims that the IR is liable to be declared invalid on the basis of the law of passing off. The applicant claims that there exists goodwill acquired through use in the UK and that use of the IR is likely to cause a misrepresentation and lead consumers to believe that the services of the holder are those of, or are linked to or approved by, the applicant. This misrepresentation gives rise to the obvious risk of damage to the applicant by substitution in that consumers and potential consumers will likely be lost to the holder if they transfer their custom to the holder in the belief that they are dealing with the applicant.
7. The holder filed a counterstatement denying the claims made and claiming that neither the applicant nor the holder own a monopoly over the 'L1' element as a result of the fact that the applicant's mark co-exists with numerous third party marks. Further, the holder claims that it has used the IR since its inception in 2007, on a substantial scale internationally, and that there have been no instances of confusion or association known to the holder. On this point, I accept the holder as adequately pleading a defence of honest and concurrent use. I also note that the holder also sought to put the applicant to proof of use of its mark. However, the applicant's mark was not registered more than five years prior to the priority date

of the IR and is, therefore, not subject to the proof of use provisions set out in the Act.

8. Both parties filed evidence in chief with the applicant also filing evidence in reply. A hearing took place before me on 26 July 2022, by video conference. The applicant was represented by Mr Hastings Guise of Fieldfisher LLP, who have represented the applicant since the filing of a Form TM33 on 13 April 2022. The holder was represented by Mrs Charlotte Blyth of Hogarth Chambers, instructed by K&L Gates LLP, who have represented the holder since the filing of a Form TM33 on 27 August 2020. Both parties filed skeleton arguments in advance of the hearing.
9. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied 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.

EVIDENCE

10. The applicant's evidence in chief came in the form of the witness statements of Mr Vitalij Farafonov and Ms Rebecca Swindells, both of which were dated 15 December 2021. Mr Farafonov is the Chief Operating Officer of the applicant, a role which he has held for over two years prior to the date of the statement. Prior to this, he was the applicant's Chief Financial Officer and has held roles in the applicant's international business investment area for over 16 years. As for Ms Swindell, I note that she is a partner of the applicant's previous firm, being Jones Day. I note that Mr Farafonov's statement was accompanied by nine exhibits (being VF01 to VF09) and Ms Swindells by two (being RS01 and RS02).
11. The holder's evidence in chief came in the form of the witness statement of Mr Simon Casinader dated 28 February 2022. Mr Casinader is a senior associate of

the holder's representative firm and his statement is accompanied by one exhibit, being a copy of the witness statement of Mr Joel Arber dated 27 July 2020. I note that this statement was filed in support of a previous application by the holder, which was opposed by the applicant under opposition numbers 417305, 417437 and 417773. I note that Mr Arber is a director of L1 UK Property Investments Pty Ltd ("L1 UK"), a position he has held since 18 May 2017. I note that L1 UK is a wholly owned subsidiary of the applicant. Mr Arber's statement is accompanied by 12 exhibits (being JA1 to JA12)

12. The evidence in reply from the applicant came in the form of the second witness statement of Mr Farafonov dated 27 May 2022. I note that this evidence was accompanied by one further exhibit (being VF01, which I shall refer to as 2VF01).

13. I do not intend to reproduce the evidence or submissions of the parties in full here, however, I will refer to them below where necessary.

DECISION

14. Sections 5(2)(b) and 5(4)(a) of the Act have application in invalidation proceedings because of the provisions of section 47 of the Act, which states as follows:

"47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

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

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2DA) In relation to an international trade mark (EC), the reference in subsection

(2A)(a) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) [...]

(4) [...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

Section 5(2)(b): legislation and case law

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

“(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 or association with the earlier trade mark.”

16. Section 5A of the Act states as follows:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

17. 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.

18. The applicant’s mark qualifies as an earlier trade mark under the above provisions. As I have set out above when discussing the holder’s counterstatement, the applicant’s mark had not completed its registration process more than five years before the priority date of the IR and is, therefore, not subject to proof of use pursuant to section 6A of the Act. Consequently, the applicant can rely upon all of the services listed in its application.

19. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v Office for Harmonization 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 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

20. The competing services are as follows:

The applicant's services	The holder's services
<p><u>Class 36</u> Financial services, namely, investment advice, investment management, investment consultation and investment of funds for others, including private and public equity and debt investment services; private equity consultant services; private equity fund investment services; providing venture capital, development capital, private equity and investment funding; financial services, namely, raising debt and equity capital for others; financial advice; advice relating to investments; equity capital investment; financial and investment services, namely, asset and investment acquisition, consultation, advisory and development; Investment banking services; hedge fund investment services; financial services, namely, dealing in securities as a market maker and in trading commodities, securities, options, futures, equities and fixed income products in the U.S. and</p>	<p><u>Class 35</u> Market reporting services; preparation of business reports; preparation of commercial reports; preparation of economic reports; writing of business reports; business management advisory services; consultancy relating to business management; corporate management consultancy; business consultancy.</p> <p><u>Class 36</u> Capital fund investment; financial investment; financial investment management services; investment; investment asset management; investment business services; investment management; investment portfolio management services; monitoring of investment funds; financial services; provision of information relating to financial services; capital fund management; provision of investment information; real estate financing; real</p>

<p>overseas market securities; financial services, namely, operation and management of hedge funds, commodity pools and other collective investment vehicles, and trading for others of securities, options, futures, derivatives, debt instruments and commodities; consultancy, information and advisory services relating to any of the aforesaid services.</p>	<p>estate leasing; real estate management; real property management; financial asset management; management of financial assets; management of property; management of shares; property portfolio management; corporate funds management; share management; share portfolio management; share services; preparation and analysis of financial reports; preparation of financial reports; trading in bonds; advisory services relating to money management; management of finances; advisory services relating to finance; personal finance services; financial fund management; financial investment fund services; investing of funds; investment fund management; investment of funds; management of funds.</p>
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21. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

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

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

23. The General Court (“GC”) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods are not worded identically (although it equally applies to services), they can still be considered identical if one term falls within the scope of another or (vice versa):

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

24. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term

'computer software'. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

"...the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

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

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

25. In the holder's skeleton argument, it listed the degree of similarity it considers exists between its services and those of the applicant. While the holder did not specify which of the applicant's services its own services were similar/identical to, I note that it did accept either a high degree of similarity or identity in respect of the following:

Class 36: Capital fund investment; financial investment; financial investment management services; investment; investment asset management; investment business services; investment management; investment portfolio management services; monitoring of investment funds; financial services; provision of information relating to financial services; capital fund management; provision of investment information; real estate financing; financial asset management; management of financial assets; management of shares; corporate funds management; share management; share portfolio management; share services; preparation and analysis of financial reports; preparation of

financial reports; trading in bonds; advisory services relating to money management; management of finances; advisory services relating to finance; personal finance services; financial fund management; financial investment fund services; investing of funds; investment fund management; investment of funds; management of funds.

26. In respect of those services it considers to be similar to a medium degree, I note that at the hearing, the holder's representative submitted that the skeleton argument contained an error in respect of the services listed similar to a medium degree. The services listed in the skeleton argument consisted of a number of real estate/property related services in class 36, however, the holder's position, as set out at the hearing, is that those services are similar to a low degree. As a result, the service that the holder accepts as similar to a medium degree is:

Class 35: Marketing reporting services.

27. Lastly, and further to my comments above, the holder submits that there is a low degree of similarity in respect of the following:

Class 35: Preparation of business reports; preparation of commercial reports; preparation of economic reports; writing of business reports; business management advisory services; consultancy relating to business management; corporate management consultancy; business consultancy.

Class 36: Real estate leasing; real estate management; real property management; management of property; property portfolio management.

28. While I do not intend to go over the services that the holder has accepted as highly similar or identical in any fine detail, I will briefly address which services I consider identical and which I consider similar to a high degree. As for the services where a

medium degree of similarity is accepted, I see no reason to disagree with the holder's position and conclude that these services are similar to a medium degree. As for those services listed as being similar to a low degree, I will address these in more detail below.

29. Firstly, dealing with the services I consider identical, I am of the view that the following services are either self-evidently identical or identical under the principle outlined in *Meric* with "financial services, namely, investment advice, investment management, investment consultation and investment of funds for others, including private and public equity and debt investment services", "financial and investment services, namely, asset and investment acquisition, consultation, advisory and development; Investment banking services" and/or "investment banking services" in the applicant's specification:

"Capital fund investment; financial investment; financial investment management services; investment; investment asset management; investment management; investment portfolio management services; monitoring of investment funds; financial services; capital fund management; financial asset management; management of financial assets; management of shares; corporate funds management; share management; share portfolio management; share services; trading in bonds; management of finances; personal finance services; financial fund management; financial investment fund services; investing of funds; investment fund management; investment of funds; management of funds; investment business services"

30. I note that the applicant's specification consists of the term "information [...] services relating to any of the aforesaid services". Given that the 'aforesaid services' in the applicant's specification includes the term "financial and investment services", it follows that the specification also covers the provision of information relating to financial and investment services. As a result, I consider that "provision of information relating to financial services; provision of investment information" in the holder's specification is self-evidently identical with the information services covered by the applicant's specification.

31. “Advisory services relating to money management” and “advisory services relating to finance” in the holder’s specification are, clearly, financial advice services and are, therefore, self-evidently identical with “financial advice” in the applicant’s specification.
32. I note that the remaining services in the holder’s specification that it stated were either identical or highly similar are “real estate financing”, “preparation and analysis of financial reports” and “preparation of financial reports. I see no reason to conclude that these services are identical with any of the services covered in the applicant’s specification. I will, therefore, proceed on the basis that they are highly similar.
33. I turn now to consider those services that the holder concluded were similar to a low degree. Firstly, the holder submits that “preparation of business reports”, “preparation of commercial reports”, “preparation of economic reports” and “writing of business reports” are similar to a low degree with the applicant’s services whereas the applicant submits that they are highly similar on the basis that they are commonly provided to users looking to invest in businesses. I have taken both parties’ submissions on board and have also given consideration to the case of *Skykick* (cited above) and am of the view that the core meaning of the holder’s services are to write/prepare business, commercial and economic reports. I accept that such reports may be required so that the user may decide whether or not to invest in a company and may, therefore, be provided for by providers of services such as “advice relating to investments” in the applicant’s specification, for example. As a result, the trade channels of these services are likely to overlap. While I do not consider that these services overlap in nature or method of use, I consider that there is an overlap in user and also, the services are likely to be complementary in nature. This is on the basis that the average consumer is likely to consider that a business report in respect of a company it may wish to invest in is important/indispensable to the provision of the investment advice. As a result, I consider that the average consumer is likely to believe that the undertaking providing the report is the same as that which provides the advice in respect of that

investment.¹ Taking all of this into account, I disagree with the holder's position that these services are only similar to a low degree and, instead, find them to be similar to a medium degree.

34. Again, having considered the principles outlined in *Skykick* (cited above), I consider that the core meaning of services such as "business management advisory services", "consultancy relating to business management", "corporate management consultancy" and "business consultancy" in the holder's specification is to provide advice and consultancy services in respect of business and/or corporate management. In comparison with the services in the applicant's specification, such as "financial services, namely [...] investment management", for example, I see no reason to conclude that they overlap in nature, method of use or purpose. While I accept that there may be some overlap in users, I do not consider that the services will be viewed as competitive or complementary to each other. Further, I do not accept the applicant's assertion that these services are provided by the same undertakings. Taking all of this into account, I see no reason to find that these services share a higher level of similarity than that submitted by the holder, being low.

35. The remaining services relate to property/real estate. The applicant submits that real estate/property is often an asset in investment and finance so, therefore, is similar to the services in the applicant's specification. On this point, the applicant refers to the holder's evidence which involves investment in real estate as a core part of its business. On the contrary, the holder's submission is that the finance and investment services of the applicant have too large a scope and that these terms should be interpreted accordingly. The holder's skeleton argument makes reference to the case of *Skykick* (cited above) and argues that the core meaning of such services are founded in financial investment and private equity. Further, while the holder admitted that a house can be purchased as an investment, it is not the same as a financial asset. While the applicant's services may relate to asset management which can include investment in property, I see no overlap in nature,

¹ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

method of use, purpose or trade channels between “real estate leasing” in the holder’s specification and any of the services in the applicant’s specification. I am of the view that such a finding lends itself to these services being dissimilar, however as above, the holder submits that these services are similar to a low degree. In light of the concession, it is not open for me to make any lesser finding and I shall, therefore, proceed on the same basis.

36. As for, “real estate management”, “real property management” and “management of property” in the holder’s specification, I am of the view that they can be said to cover services such as the administration of property/real estate. While a property may be a type of investment, these services are commonly provided by real estate agents and not financial service providers. As a result, I consider that these services differ in trade channels with “financial services, namely [...] investment management” in the applicant’s specification, for example. Further, I do not consider that these services share either a complementary or competitive relationship. Having said that, I do consider that there is some overlap in that both services involve the management of an investment meaning that there is a superficial level of overlap in nature, method of use and purpose. However, given the superficial nature of the overlapping factors, I see no reason why these services are similar to any higher degree than that submitted by the holder and, therefore, find that they are similar to a low degree.

37. While I have found above that property management is unlikely to be provided by the same undertaking that provides investment management services, I am of the view that this does not apply to “property portfolio management” in the holder’s specification. This is because the management involved in these services is of the portfolio of properties and not the properties themselves. As a result, I consider that there is an overlap between this service and “financial services, namely [...] investment management” in the applicant’s specification. As I have found at paragraph 36 above, I also consider that there is an overlap in nature, method of use and purpose. However, for this service, I consider the levels of overlap are somewhat more pronounced. In addition, I consider that the services may also overlap in user and also, they may be competitive in nature on the basis that a user

looking for a service to manage its property portfolio may choose the holder's service over the applicants, or vice versa. As a result, I disagree with the holder's position in respect of these services and, instead, find that they are similar to a high degree.

The average consumer and the nature of the purchasing act

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

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

39. I have submissions from both parties in respect of the average consumer. The applicant submits that the average consumer consists of both members of the general public and business users who pay no more than an average degree of attention. However, the applicant submits that even for services where there is a higher level of attention paid, it does not preclude a likelihood of confusion. Generally, the holder agrees with the position in respect of the identity of the consumer but contends that while members of the general public will use some of the services, they are mostly high value services that are targeted at the professional public. Regardless of who the consumer is, the holder submits that they will pay a reasonably high degree of attention as they will take considerable

care and time working out whether they are choosing the right provider on the basis that such services are important to that person.

40. In respect of the consumer base, I agree that this is made up of both members of the general public and business users. The services will, for the most part, be provided by financial institutions and available either at in-person branches or selectable online via the provider's website. The services will be listed either on placards or signs in a branch or on lists available via the providers' websites. For the majority of the services, I am of the view that the visual component will dominate the selection process on the basis that the services will be viewed on lists. Having said that, the aural component will not be discounted. For some services, such as those selected by professional users or a sub-set of average consumers making large investments, the selection process is likely to be both visual and aural on the basis that the selection will take place after discussions with financial advisors, for example.

41. Turning to consider the level of attention paid, I agree with the applicant in that some average consumer will pay a medium degree of attention but for others, this will extend to a reasonably high degree of attention. This is on the basis that while the services selected by the members of the general public at large involve finance, I do not consider that the attention paid will extend to reasonably high solely for that reason. For example, a member of the general public selecting personal financial services such as credit card services is likely to consider general factors such as the rate of interest, any interest free period and late payment fees. This will not, in my view, result in any higher degree of attention beyond medium.

42. As for those services selected by business users, it is likely that such a selection is likely to impact the operation of their business so I conclude that their level of attention will be reasonably high as a result. As for those average consumers selecting services such as investment services with the intention to invest a large sum of money, they are likely to consider factors such as expertise of staff, potential rate of return, information on previous returns and testimonials from previous users. On the basis that such investments involve large sums of money, the

consumer will naturally be more observant when selecting the services and will pay a reasonably high degree of attention.

Comparison of the marks

43. It is clear from *Sabel v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components.

44. 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.”

45. 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.

46. The respective trade marks are shown below:

The applicant's mark	The IR
L1 Technology	L1 CAPITAL

Overall Impression

47. In respect of the overall impression of the marks, I note that the applicant submits that both marks are dominated by the 'L1' element due to the non-distinctive nature of their second elements. On the contrary, the holder submits that given the size and prominence of the second words, they are equally dominant within the marks as wholes. In support of this position, the holder submits that 'Technology' in the applicant's mark is not descriptive of any of the services at issue and while 'CAPITAL' in the IR is descriptive of some of the holder's services, it is not so for all of them. In response to this point, I note that the applicant's submissions set out that the technology sector is one that is commonly invested in, so the word remains descriptive.

48. Overall, I am in agreement with the holder and, therefore, find that the overall impression of the applicant's mark lies in its entirety. This is on the basis that 'Technology' isn't descriptive and while it is a readily understood word, I consider that the average consumer would be readily aware that 'Technology' in the context of the applicant's mark will indicate the sector in which the investment services will be provided. On the latter point, I note that the services at issue in the applicant's specification are not specifically reserved for investments in that sector meaning that their notional use may span several sectors unrelated to technology. As for the IR, I find that where 'CAPITAL' is descriptive, it will play a lesser role to the 'L1' element. However, for those services where it is not descriptive (being those services in class 35 and the various real estate services in class 36), it will share an equal role with the 'L1' element meaning that, in that scenario, the overall impression of the IR lies in its entirety.

Visual Comparison

49. Visually, both marks begin with the same element, being the letter/numeral combination of 'L1'. The second elements of both marks, being 'Technology' in the applicant's mark and 'CAPITAL' in the holder's, are entirely different. Even in

circumstances where the word 'CAPITAL' plays a lesser role in the overall impression of the IR, it still contributes visually and will not be overlooked. While it may be the case that the differences between the marks lie in their larger elements, I note that the beginnings of the marks, being where the average consumer tends to focus,² are identical. I also note that the IR is displayed in upper case whereas the applicant's is in title case. I am reminded that word only marks can be displayed in upper case, lower case or any customary combination of the two, meaning that the applicant's mark may be displayed in upper case also.³ Taking all of the above into account, I am of the view that the marks are visually similar to between a low and medium degree.

Aural Comparison

50. Regardless of the role of the different elements across the marks, I consider that all elements will be articulated. As a result, I consider that, aurally, the applicant's mark consists of six syllable that will be pronounced 'EL-WUN-TEK-NOL-UH-JEE' whereas the IR consists of five syllables that will be pronounced 'EL-WUN-CAP-IT-UHL'. The first two syllables of the marks are identical whereas the remaining syllables all differ. I note that the holder submits that the marks are aurally similar to a very low degree and one of the reasons for this is that the applicant's mark is longer than the IR. While I acknowledge that it is one syllable longer, this does not necessarily mean that the consumer would consider it to be substantially different in length. I have set out above that the average consumer tends to focus on the beginnings of marks and, relying on the same reasoning here, I find that the marks are similar to between a low and medium degree.

Conceptual Comparison

51. The holder submits that the marks are conceptually dissimilar due to the fact that they both consist of the same meaningless element that is combined with a well-known, but different, word. The applicant disagrees with this submission and

² *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

³ *Migros-Genossenschafts-Bund v EUIPO*, Case T-189/16

submits that if the comparison was of the 'L1' elements alone, they would not be dissimilar simply because they were meaningless. While I agree with the applicant, this does not mean that they are dissimilar and I am of the view that two meaningless words would be conceptually neutral with one another.

52. I agree that this will be the case for the 'L1' elements, however, the comparison I must make is in respect of the marks as wholes. While the 'L1' elements will carry no obvious concept, the addition of the word 'Technology' in the applicant's mark conveys a concept on the mark as a whole that the undertaking has something to do with technology (regardless of whether that is actually the case or not). As for the addition of 'CAPITAL' in the IR, I am of the view that this creates the concept of an undertaking that is involved in the financial sector. This is on the basis that, while all of the IR's services do not relate to finance, the majority of them do and the consumer will make the association in any event. As a result of the overall concepts conveyed by the marks as wholes, I am of the view that they are conceptually dissimilar, despite their shared use of the 'L1' element. This is on the basis that, as above, the 'L1' element carries no obvious meaning save for being regarded as the undertaking responsible for the services at issue.

Distinctive character of the applicant's mark

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

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

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

54. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it. I note that the applicant did file evidence of use in these proceedings. However, at the hearing, the holder submitted that no claim for enhanced distinctiveness had been made, so it did not need to be considered. I note that the applicant did not respond to this point at the hearing and did not advance the position that the distinctiveness of its mark had been enhanced through use. While I note the holder’s position, it is not the case that a claim for enhanced distinctiveness needs to be expressly pleaded in cases before the Tribunal. As a result, it is open for me to consider the evidence in light of the issue of enhanced distinctiveness. However, having said that, the evidence in respect of the applicant’s mark is light. I will assess this below.

55. The applicant has filed a number of lengthy documents that covers its business operations under other marks owned by the applicant (and not relied on here) such as ‘L1’ in solus (which does form the basis for the 5(4)(a) claim), ‘L1 Energy’, ‘L1 Retail’, ‘L1 Treasury’ and ‘L1 Health’. Further, I note that a lot of the evidence is dated after the relevant date, being 15 November 2018 which is the priority date of the IR.

56. I note that the evidence refers to acquisitions of Holland & Barrett, Pure Student Living and Octane Capital in 2017 and includes copies of annual reviews that discuss the same.⁴ While the acquisition of these UK based companies by the applicant is noted, I am not convinced that such acquisitions relate to the services at issue in the UK and I have no evidence or explanation regarding UK customers for the services relied upon. In any event, these acquisitions were made under arms of the applicant's business other than 'L1 Technology'. While one acquisition in the evidence, 'UPP', was under the banner of the applicant's mark, this took place in 2021 so falls after the relevant date.

57. The evidence also includes figures in respect of the investment activities and assets under management in the UK between 2015 and 2020. While the information regarding the years 2019 and 2020 are noted, they fall after the relevant date so will not be considered here. Of the figures from prior to the relevant date, I note that the applicant held net assets in the UK for a total of \$1,059,000,000 in 2015, \$915,000,000 in 2016, \$1,118,000,000 in 2017 and \$1,128,000,000 in 2018. These are clearly substantial figures but relate to the applicant's company as a whole. I have nothing to indicate what proportion of these assets are held by 'L1 Technology'. This is particularly an issue for the applicant on the basis that the applicant operates in various sectors and under different marks, albeit all with the 'L1' prefix. Further, the figures provided are not broken down by market or to the services to which they relate. I note that the services relied upon are a wide range of both broad and specific financial services and without any assistance from the applicant, it is not possible for me to determine what level of figures relate to the services at issue. Another issue I have with these figures is that while the assets referred to are within the UK, there is nothing to suggest that the investing customers of the applicant in respect of these assets are located in the UK. On this point, I note that the applicant is, by its own admission, "an international investment business."⁵ It is, in my view, likely that a proportion of the customers that may be involved in investing in these assets are from outside the UK. Again, without any

⁴ Exhibit VF04

⁵ Page 1 of Exhibit VF01

assistance from the applicant, I am unable to accurately assess how these figures relate to UK customers and the services at issue.

58. An example of how the applicant operates is discussed in the evidence by way of a Companies House print-out listing the director of Octane Capital Limited.⁶ The applicant sets out that the directors of Octane Capital Limited are all employees of the applicant's L1 Treasury arm. The applicant states that this is illustrative of how it provides services (in this example, via directorships) to the businesses in which it invests. It appears here, that the applicant is claiming that by having its employees act as directors for companies that it purchases, it is providing directorship services to the business in which it has invested. I note that this is merely an example, but directorship services are not, as far as I understand, a type of financial service covered by the applicant's mark. In any event, I am not convinced that this constitutes use of the applicant's mark or, even use by the applicant, as it is likely that such use would be under the banner of Octane Capital Limited and this is, how the average consumer would understand it. Without any further explanation, I do not consider that this evidence assists the applicant.

59. Companies House annual reports have been provided in relation to L1 Energy (UK) LLP for the years ending energy 31 December 2015 and 2016, L1 Retail (UK) LLP for the years ending 31 March 2019 and 2020 and for Letterone Technology (UK) LLP for the years ending 31 December 2016 and 2017 and for the 15 month period up to 31 March 2019.⁷ While I accept that all of these companies are subsidiary companies of the applicant, the only ones that are of assistance in these proceedings are the Letterone Technology (UK) LLP reports for the years ending 31 December 2016 and 2017. I note that these reports set out that the principal activities of the company is the provision of investment advice in relation to investments in the technology sector. Further, I note that the turnover figures discussed within the reports are significant. While that may be the case, the figures are provided for in US dollars and, despite being a UK registered company, there is no indication that these figures relate solely to the services at issue and whether

⁶ Pages 27 to 29 of Exhibit VF04

⁷ Exhibit VF06

they are provided solely within the UK or not. Further, there is no breakdown of the actual use shown and, while some use may be under the mark 'L1 Technology', it is equally likely that there is use under the 'LetterOne Technology' branding which would not constitute use of the mark as registered. I consider this to particularly be the case given the range of evidence provided also refers to the prefix 'LetterOne' and not, solely, the 'L1' prefix. For example, I note that the applicant's own website shown in the evidence is 'letterone.com'. Further, the applicant's own reports regarding its business acquisitions refer to the 'LetterOne' branding,⁸ its annual reviews also feature use of 'LetterOne'⁹ and there are various press articles provided that show reference to LetterOne.¹⁰ Without anything further, I do not consider that this evidence is of any real assistance to the applicant in respect of the distinctiveness of the mark.

60. On the issue of press articles, I note that the evidence includes a range of coverage.¹¹ However, this mostly refers to L1 Retail's acquisition of Holland & Barret and only makes limited reference to 'L1 Technology' by referring to what other investment wings the applicant operates through.¹² I note that the press coverage also refers to the acquisition of 'UPP' in 2021 which other evidence filed refers to as an acquisition under the 'L1 Technology' arm of the applicant's business. While that may be the case, the acquisition was after the relevant date and, further, the coverage does not make reference to 'L1 Technology' but simply refers to the applicant as 'LetterOne' (this point further highlights the issues set out at paragraph 59 above). I note that in support of this evidence, the applicant filed additional evidence setting out the popularity in the UK of the publications that provided these articles.¹³ While noted, the issues with the press coverage, as highlighted above, remains regardless of the viewership figures for those websites.

61. A number of invoices have also been provided regarding secretarial and posting services sought by the applicant.¹⁴ Not only are these invoices for services sought

⁸ Exhibit VF05

⁹ Exhibit VF05

¹⁰ Pages 1, 3, 5, 7, 8, 10 and 13 of Exhibit VF07

¹¹ Exhibit VF07

¹² Pages 17 and 21 of VF07

¹³ Exhibit RS01

¹⁴ Exhibit VF08

by the applicant and not for those rendered by the applicant, but they are also all addressed to either L1 Energy or L1 Retail (with one reference to L1 Reta, presumably being a typographical error meant to read L1 Retail). While the invoices allude to the applicant's presence as a business in the UK, I do not consider that these invoices demonstrate any use of the applicant's mark in the UK.

62. A number of redacted emails and appointment proposals have been provided that show exchanges between the applicant and various large global banks. I note that the appointment proposals refer to meetings in the UK.¹⁵ This evidence is relied on to show the significant volumes of correspondence sent under the L1 mark and show services provided under the L1 mark. I note that the subject lines of the emails repeatedly refer to 'L1', however, I note that the various emails sent on behalf of the applicant refer to 'LetterOne' in the sender's signature. While this is noted, it is not clear as to what services are actually being provided, if any. I do not consider the exchange of emails and the scheduling of appointments are indicative of the provision of services, particularly given the redacted nature of the content of the emails/appointments. I also note that there is reference to a potential client 'US incorporation team',¹⁶ indicating that there may be provision of services outside the UK. Without any further explanation of what this evidence shows, I am not convinced that it is of any real assistance to the applicant.

63. In respect of the applicant's website, I note that it is a '.com' website but also that the applicant filed evidence regarding the amount of visitors that this website gets from UK users.¹⁷ At the hearing, the applicant set out that the information provided is dated after the relevant date so is not relevant. I agree with this submission and note that the data analytics referred to show statistics from January 2019 to 15 December 2021.

64. Taking the evidence as a whole, I do not consider that there is enough evidence regarding the use of the applicant's mark that allows me to make a finding that the

¹⁵ Exhibit VF09

¹⁶ Page 8 of Exhibit VF09

¹⁷ Paragraph 2 of the witness statement of Rebecca Swindells

use is capable of indicating that a proportion of UK average consumers would, as a result of the use of the mark, identify the applicant's services as originating from the applicant. As a result, I have only the inherent position to consider.

65. The applicant's mark consists of the letter/numeral combination 'L1' that is followed by the word 'Technology'. 'L1' has no meaning and is not descriptive of the services at issue, however, it is a simple combination of one letter and one number. As for 'Technology', I have set out above that this is not descriptive either, but as an ordinary dictionary word, its use in the mark is not particularly remarkable. When considering the mark as a whole, I appreciate that it is not descriptive of the services at issue, however, I do not consider that the combination of the two fairly ordinary elements form a particularly remarkable mark. In my view, the applicant's mark enjoys a medium degree of inherent distinctive character.

Actual Confusion

66. I note that the applicant's evidence includes what it refers to as evidence of actual confusion. I note that this came in the form of two articles from Business Insider dated 26 July 2017 and Law.com dated 5 February 2018.¹⁸ The first article reference to the holder being a fund headed by Mikhail Fridman which had bought Holland & Barrett for £1.8 billion when in fact it was the applicant, being LetterOne that was (at the time) headed by Mr Fridman and that bought Holland & Barrett. The second article discusses the appointment of Stephen Gillespie as General Counsel for the holder when, in fact, Mr Gillespie was hired as General Counsel for the applicant. At the hearing, the holder submitted that these alleged instances comprise of errors on the part of the financial press and are, therefore, irrelevant to the assessment. At best, they show limited confusion amongst journalists and not amongst average consumers. Further, the holder submits that there is no indication as to what caused these errors, whether it was actually caused by the use of the marks in the course of trade in the UK or whether they were merely the result of careless research. The applicant argues that the confusion in the press is

¹⁸ Exhibit 2VF01

relevant because the financial press have a high level of attention and that they scrutinise very carefully so if they are getting confused, it is a significant point to be mentioned. Having considered the evidence and the parties' arguments, I am of the view that the evidence referred to above is not evidence of actual confusion. Firstly, I do not agree that the financial press necessarily have a high level of attention and, without any evidence to suggest the level at which the press scrutinises the issues they are writing about, I cannot reach such a finding. Further, I agree with the holder in that members of the financial press are not the average consumers at issue and there is no indication as to whether the authors ever saw the 'L1 Technology' mark or whether it was a result of careless research. Having said that, the absence of actual evidence of confusion is rarely significant and, on this point, I refer to the case of *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, wherein Kitchen L.J. stated that:

"80.the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur."

67. Further, I also refer to the case of *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 wherein Millett L.J. stated that:

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

68. I will now proceed to consider the likelihood of confusion and will say no more in respect of the evidence of alleged actual confusion.

Likelihood of confusion

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

70. I have found the holder's services to range from being identical to similar to a low degree with the applicant's services. I have found the average consumer for the services to be both members of the general public and business users. Generally, I have found that the services will be selected through primarily visual means, although I do not discount an aural component. However, for some services, I have found that the selection process will be both visual and aural. For the most part, I have concluded that the average consumer will pay a medium degree of attention when selecting the services at issue, however, for some services selected by

business users or a subset of the general public looking to invest large sums of money, I have found that this will extend to reasonably high. I have found the IR to be visually and aurally similar to between a low and medium degree and conceptually dissimilar with the applicant's mark. Lastly, I have found the applicant's mark overall to be inherently distinctive to a medium degree.

71. Taking all of the above into account and even bearing in mind the principle of imperfect recollection, I am of the view that the visual, aural and conceptual differences will result in average consumers being able to remember and accurately recall which parties' mark is which. They would not, therefore, be misremembered or mistakenly recalled for one another. While I have found there to be circumstances where the word 'CAPITAL' will play a lesser role in the IR (which is something that works in the applicant's favour), the same does not apply to the word 'Technology' in the applicant's mark. Further, given the fact that the word 'Technology' has no obvious connection to the services at issue, it will be viewed as a somewhat unusual addition and, therefore, will leave an imprint in the mind of the average consumer. As a result, I am of the view that the different elements, particularly the word 'Technology', will not be overlooked, even taking into account the marks' identical beginnings. Consequently, I do not consider that there is a likelihood of direct confusion between the marks, even in circumstances where the average consumer is confronted by the marks on identical services. I make this finding particularly given that the average consumer will pay at least a medium degree of attention when selecting the services at issue. I will now proceed to consider whether there is a likelihood of indirect confusion.

72. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

"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)".

73. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor Q.C. (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding

that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

74. While I acknowledge the case law cited at paragraph 73 above, it does not mean that just because I have found no likelihood of direct confusion, there cannot be any likelihood of indirect confusion. I have accepted above that the differences between the marks will be noticed by the average consumer and the question I must now consider is whether the common element of the mark will result in the average consumer believing that the marks originate from the same or an economically connected undertaking. While it may not necessarily be the case that, in all circumstances, the 'L1' element is the dominant and distinctive element of the marks, I do consider that it is likely to lead a significant proportion of average consumers to conclude that the marks originate from the same or economically connected undertakings, thereby resulting in a likelihood of indirect confusion. For example, when an average consumer is confronted by the marks at issue, they are likely to understand that the shared element, being 'L1' is indicative of the undertaking that provides the services at issue. Even though the circumstance exists where the different elements of 'Technology' or 'CAPITAL' will not be seen as descriptive and, therefore, of an equal level of distinctiveness within the parties' marks as wholes, this does not avoid there being an understanding that the marks are from the same or economically related undertakings. For example, I refer to the case of *Whyte and Mackay v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch) wherein Arnold J. (as he then was) considered the impact of the CJEU's judgment in *Bimbo*, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

"18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

75. Applying the above, while circumstances exist where the elements of the marks may play equal roles in their overall impressions, I do not consider that they form units. As a result, and even when considering the marks as wholes, I am of the view that the average consumer will also consider that the marks consist of two separate elements, being ‘L1’ and ‘Technology’/‘CAPITAL’, both of which having distinctive significance that is independent of the significance of the whole. While the case law above sets out that it does not automatically follow that there is a likelihood of confusion in such a scenario, I find that it is the case here. In the

present circumstances, the average consumer will understand that the 'L1' element is the name of the undertaking behind both marks but one that operates separate sub-brands, being one that either operates in the technology market or uses technology to provide cutting edge services (for example) and another that operates in the financial/investments market. Consequently, I consider that there is a likelihood of indirect confusion between these marks. I find that even where the average consumer pays a higher degree of attention, the understanding that the common element 'L1' is indicative of the same or economically connected undertaking providing the services at issue remains. While I consider that this is the case in respect of those services that are identical or similar to a high and medium degree, I do not consider that it extends to those services similar to only a low degree. In my view, the 'L1' element is not so distinctive to the point that an average consumer would consider that any use of it is linked to one undertaking and given the distance between the services that are similar to a low degree and, particularly where the consumer pays at least a medium degree of attention, I consider that the shared use of 'L1' is merely coincidental and I do not consider that the average consumer would be confused.

Honest concurrent use

76. I note that during the course of these proceedings, the holder has argued that both parties have been trading side-by-side in the UK since 2017. Such an argument is, in my view, a defence of honest concurrent use/peaceful co-existence. I note that, in accordance with the *Budweiser* case (referred to below), such a defence may be relevant in trade mark opposition or cancellation proceedings. Before considering the argument in detail, I refer to the case of *Budejovický Budvar NP v Anheuser-Busch Inc*, Case C-482/09, EU:C:2011:605, ("the *Budweiser* case") wherein the CJEU held that:

"74. In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which

the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.

75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.

76. In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.

77. First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign 'Budweiser' or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78. Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79. Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from the beginning used their Budweiser trade marks in good faith.

80. Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81. Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of

Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82. Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services.”

77. Before moving to consider the evidence, it is necessary to clarify the issue of the period for which concurrent use is claimed. At the hearing, the applicant argued that as the evidence relied upon by the holder is dated 2020, the holder, at best, is only able to demonstrate use for 3 years since 2017. However, the holder responded to this point by arguing that it can be reasonably inferred that the holder has continued to trade since July 2020 as it would be unusual in the circumstances to establish a UK fund in 2017 and then close it down three years later. In respect of this issue, the relevant date for the assessment I must make is the date of the priority date of the IR, being 15 November 2018. For the avoidance of doubt, any use after this date is of no assistance to the holder.

78. In response to the defence of honest concurrent use, the applicant argued at the hearing that the *Budweiser* case involved a “far, far longer period” of co-existence than the one claimed in the present case. On this point, I am minded to agree with the applicant and also note that the unique circumstances in *Budweiser* were exceptional. I also note the applicant’s submissions that any such co-existence between the parties has not been peaceful on the basis that as soon as the applicant became aware of the holder’s attempts to register UK marks, it sought to oppose them. On this point, I note the presence of opposition proceedings 417305, 417437 and 417773 that involved the applicant in the present case seeking to oppose the holder’s registration of a number of marks in the UK. The existence of

these proceedings supports the assertion of the applicant that any co-existence has not been peaceful.

79. The evidence provided by the holder sets out that it has been operating in the UK since 31 August 2017. That evidence is dated 27 July 2020 so, at best, would demonstrate just under three years of use. On this point, I note that, at the hearing, the holder argued that it can be reasonably inferred that the holder has continued to trade since July 2020 as it would be unusual in the circumstances to establish a UK fund in 2017 and then close it down three years later. The holder set out that if it was the case, then it was for the applicant to put in evidence of the holder's closure. I do not agree with the submission that such an inference can be made. It is not, in my view, unusual to suggest that a business that begins operating may close down shortly after and, in fact, it is my understanding that such an issue is common, particularly as a result of the COVID-19 pandemic. Further, I do consider this issue to be of little relevance to the current proceedings. This is because, regardless of what is set out in the evidence, the issue at hand must be determined as at the relevant date, which in the present circumstances is 15 November 2018. As a result, the evidence provided is only capable of showing concurrent use for a period of 15 months. While I cannot rule out the fact that evidence is incapable of demonstrating honest concurrent use over such a short timeframe, I am of the view that such evidence would need to be considerable. Having reviewed the evidence of the holder, I am of the view that it falls far short of such a requirement. My main issue with the holder's evidence is that while there is evidence showing a focus on the UK real estate sector, the evidence still appears to be aimed at Australian investors. On this point, I note the following:

- a. A financial advisors report regarding the 'L1 Capital U.K. Residential Property Fund III' with a copyright date of 2019 that was prepared by SQM Research. In the report, SQM Research identifies itself as an Australian Financial Services Licensee;¹⁹
- b. A pre-issue report dated April 2019 regarding the 'L1 Capital U.K. Residential Property Fund III' that appears to have been published by 'Independent

¹⁹ Exhibit JA4

Investment Research’, being a firm that the evidence sets out is an independent research house based in Australia and the United States;²⁰

- c. Print-outs obtained from the internet archive facility ‘The Wayback Machine’ of the holder’s own website evidence that are dated 29 August 2008, 31 July 2017 and 6 October 2020.²¹ While the print-out dated 6 October 2020 makes reference to the holder having a London office, there is nothing further regarding the UK. Further, the print-outs are all taken from ‘.com.au’ websites indicating that they are aimed at the Australian market;
- d. The LinkedIn page for the ‘L1 Capital UK Property’ account, while undated, sets out in its bio that it is an investment management company aimed at “delivery uncorrelated returns and attractive yields to Australian Investors”;²²
- e. A press article provided that, while dated after the relevant date, state that “Mr Gan hopes to lure Australian investors who have watched Sydney and Melbourne’s property markets “correct” to invest.”²³ I note that the same article refers to Mr Gan as the chief investment officer of the ‘L1 Capital UK Residential Property Team; and
- f. An article from ‘Wholesale Investor’ that refers to the holder’s UK Property Fund.²⁴ Despite being dated after the relevant date, the article was published on a ‘.com.au’ website, indicating that it is aimed at the Australian market.

80. While a majority of the above evidence is dated after the relevant date, it is all aimed at the Australian market and, aside from a few references to a UK fund and UK offices, there is nothing to indicate that the evidence is aimed at the UK consumer. Further, I note that there are a number of invoices in relation to what appears to be IT services, office lettings and line rental have also been provided.²⁵ The holder claims that these invoices are in relation to “fees due in the UK”.²⁶ On this point, I note the invoices are in British Sterling, albeit with the final figures redacted and appear to have been issued by UK based companies. While I do not

²⁰ Exhibit JA7

²¹ Exhibit JA8

²² Page 19 of Exhibit JA9

²³ Page 5 of Exhibit JA10

²⁴ Page 16 of Exhibit JA10

²⁵ Exhibit JA2

²⁶ Paragraph 5 of the witness statement of Joel Arber

doubt that the holder has offices in the UK, their mere existence alone does not equate to use that is capable of giving rise to honest concurrent use on the basis that, as the remaining evidence shows, the holder may operate offices within the UK but it still appears to aim its services at Australian investors. Therefore, there is no indication that such operations would give rise to a knowledge of the IR amongst the average consumers in the UK.

81. In addition to the above, I note the presence of 103 pages of reports prepared by the holder that are arranged so that two pages appear per sheet resulting in a total page count of 206 pages. While the evidence sets out that these are monthly investor updates and materials that are sent to its global clients (including those in the UK), I have no explanation as to their particular relevance and neither do I have any indication of the reach of such evidence amongst the average consumer base in the UK.

82. While the evidence does show that the holder incurred a marketing spend of about £175,000 in both 2018 and 2019 (with 2019 being after relevant date), there is no evidence regarding any sales or turnover figures accrued in relation to any use in the UK. Lastly, there is no evidence that demonstrates that the marks at issue ever came into conflict during this time, for example, there is no evidence that the services of the parties were made available to consumers via the same trade channels to give rise to circumstances where they would be viewed alongside each other. Taking all of the above into account, the evidence is far from sufficient to be considered demonstrative of honest concurrent trade of services under the 'L1 CAPITAL' mark.

83. As a result, the application is successful under its 5(2)(b) ground for the following services, being those that I have found to be either identical or similar to a high or medium degree:

Class 35: Market reporting services; preparation of business reports; preparation of commercial reports; preparation of economic reports; writing of business reports.

Class 36: Capital fund investment; financial investment; financial investment management services; investment; investment asset management; investment business services; investment management; investment portfolio management services; monitoring of investment funds; financial services; provision of information relating to financial services; capital fund management; provision of investment information; real estate financing; financial asset management; management of financial assets; management of shares; property portfolio management; corporate funds management; share management; share portfolio management; share services; preparation and analysis of financial reports; preparation of financial reports; trading in bonds; advisory services relating to money management; management of finances; advisory services relating to finance; personal finance services; financial fund management; financial investment fund services; investing of funds; investment fund management; investment of funds; management of funds.

84. However, the application under 5(2)(b) fails in respect of the following services, being those that I have found to be similar to only a low degree:

Class 35: Business management advisory services; consultancy relating to business management; corporate management consultancy; business consultancy.

Class 36: Real estate leasing; real estate management; real property management; management of property.

85. I will now proceed to consider the applicant's 5(4)(a) ground.

Section 5(4)(a)

86. Section 5(4)(a) of the Act reads as follows:

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

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

(aa)

(b)

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

87. Subsection (4A) of Section 5 states:

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

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

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

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

89. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source² or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;

- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Relevant Date

90. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

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

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

91. During these proceedings, the holder claims that the relevant date for the purpose of the assessment of goodwill is 31 July 2017, being the date that the holder began operating in the UK, being the date of the start of the behaviour complained about. At the hearing, I note that the holder set out that there was no dispute over this point and the applicant did not seek to oppose this. While that may be the case, the assessment I must make in respect of the date of the start of the behaviour complained about is based on the evidence filed, not the submissions (or lack thereof) of the parties. I have discussed the holder's evidence of use in detail above when considering the position in respect of honest concurrent use. I do not intend to reproduce the same summary here but my comments above are echoed here in that, namely the evidence does not show a sufficient level of use within the UK. While the holder may have opened offices in the UK and began trading in assets within the UK, the target base for those services remained the Australian investor. Therefore, I do not consider it suitable as being the beginning of the use complained of. As a result, I am of the view that the relevant date for the assessment of goodwill is the priority date of the IR, being 15 November 2018.

Goodwill

92. The first hurdle for the applicant is that it needs to show that it had the necessary goodwill in its signs at the relevant date. Goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

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

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

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

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

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

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

95. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

96. For passing off claims to succeed, there must be a protectable level of goodwill that exists in a business and the unregistered signs relied upon must be associated with or distinctive of that business. Under the present ground, the applicant relies on the unregistered right ‘L1’ for the services listed at paragraph 3 above. On the point of whether the relied upon sign is distinctive of the applicant’s business, I note that, at the hearing, the applicant set out that it has obtained a protectable level in the business of ‘LetterOne’ and its subsidiaries and that the ‘L1’ right is one that points towards that goodwill for the purpose of the consumers. I do not consider it necessary to assess the claim that use of the various signs point to goodwill in ‘L1’ in solus here. However, I will first assess whether the evidence as a whole is capable of determining whether there is goodwill in the applicant’s business before moving to consider whether the ‘L1’ sign is distinctive of that business. If there is no protectable goodwill, this issue is not relevant so will not need to be assessed.

97. Goodwill arises as a result of trading activities. I have discussed the evidence of use when considering the position of enhanced distinctiveness under the 5(2)(b) ground at paragraphs 55 to 63 above. While I appreciate that the sign relied upon here, being 'L1' is different from the one assessed above, being 'L1 Technology', the applicant's claim under 5(4)(a) relies on use of all its various subsidiary brands as pointing towards goodwill in 'L1' in solus. Given that I assessed the entirety of the relevant evidence, the same evidential summary is applicable under this ground also. As a result, I do not intend to reproduce my summary of the evidence again here save to say that I consider the same general issues with the evidence as discussed above apply here also, namely that the evidence is not sufficiently solid in demonstrating use of the services relied upon (especially given that the services relied upon here are identical to the ones relied on in the 5(2)(b) ground) in the UK market.

98. In any event, I note that the evidence includes reference to other UK based organisations such as L1 Energy (UK) LLP, L1 Retail (UK) LLP and Letterone Technology (UK) LLP. While I accept that any use by these companies is likely to be with consent of the applicant, there is no evidence to prove that any potential goodwill that may have arisen in the UK as a result of use by these businesses would have accrued in the applicant rather than those businesses themselves.

99. As a result, I do not consider that the applicant has shown that it had, as at the relevant date, accrued a protectable level of goodwill in its unregistered sign. Therefore, the applicant's reliance upon its 5(4)(a) ground fails in its entirety.

100. Alternatively, even if there was a protectable level of goodwill in the sign 'L1' and that goodwill is attributable to the applicant, I am reminded of the case of *Marks and Spencer PLC v Interflora*²⁷ wherein Lewison L.J. found that although the test for misrepresentation is different from that for likelihood of confusion in that it entails "deception of a substantial number of members of the public" rather than "confusion of the average consumer", it is unlikely that the difference between the legal tests will produce different outcomes. I consider that this is particularly the

²⁷ [2012] EWCA (Civ) 1501

case given that the services for which the applicant claims to have obtained goodwill in are identical to those relied upon under its 5(2)(b) ground. Therefore, the same level of similarity between the parties' services highlighted above will apply here. This means that for identical services or those similar to a medium degree and above, a finding of there being misrepresentation and damage under this ground would not improve the applicant's position beyond that of its 5(2) ground. As for those services I have found to have survived the 5(2) ground (being those I have found to be similar to a low degree), I do not consider there would be any misrepresentation on the basis that there is insufficient similarity between the that would result in a significant proportion of consumers being deceived. As set out in the case law cited above, the difference in the legal test applied here and that which covers a likelihood of confusion are unlikely to produce a different outcome. As a result, even if a level of protectable goodwill could be found in respect of all of the applicant's services, its reliance upon its 5(4)(a) ground does not put it in any better position than the 5(2)(b) ground.

CONCLUSION

101. The application for invalidity has succeeded in respect of a majority of the services against which it is aimed. Subject to any successful appeal, the IR is hereby declared invalid and deemed to have never been registered in respect of the following services:

Class 35: Market reporting services; preparation of business reports; preparation of commercial reports; preparation of economic reports; writing of business reports.

Class 36: Capital fund investment; financial investment; financial investment management services; investment; investment asset management; investment business services; investment management; investment portfolio management services; monitoring of investment funds; financial services; provision of information relating to financial services; capital fund

management; provision of investment information; real estate financing; financial asset management; management of financial assets; management of shares; property portfolio management; corporate funds management; share management; share portfolio management; share services; preparation and analysis of financial reports; preparation of financial reports; trading in bonds; advisory services relating to money management; management of finances; advisory services relating to finance; personal finance services; financial fund management; financial investment fund services; investing of funds; investment fund management; investment of funds; management of funds.

102. The IR may, however, remain registered for the following services, being those against which the application was unsuccessful:

Class 35: Business management advisory services; consultancy relating to business management; corporate management consultancy; business consultancy.

Class 36: Real estate leasing; real estate management; real property management; management of property.

COSTS

103. As the applicant has enjoyed a greater degree of success, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. At the hearing, both parties submitted that the costs should remain on the scale. However, the holder submitted that the costs award should reflect the fact that the applicant withdrew the 5(3) ground (as referred to at paragraph 2 above) of its application just days before the hearing. As a result, the holder was required to conduct the entire matter and prepare for the hearing on the basis that all the grounds were going to be in issue. The applicant responded by setting out that it was not clear where the wasted costs were on the basis that the holder's

skeleton argument in respect of the 5(4)(a) ground relied on the same assessment that it undertook in respect of its arguments in respect of the 5(3) ground.

104. I consider it appropriate for the costs award to reflect both the issue discussed above and the fact that the holder was successful in defending some of the services at issue. Given the limited degree of success and the point raised by the applicant at the hearing regarding the withdrawal of the 5(3) ground, I consider it necessary to reduce the costs award by 15%. Further, given that the 5(4)(a) ground remained, I do not consider it necessary to alter the official fees that the applicant is entitled to recover. In the circumstances, I award the applicant the sum of **£1,220** as a contribution towards its costs. The sum is calculated as follows:

Preparing an application for invalidity and considering the holder's counter statement:	£200
Preparing evidence:	£500
Preparing for and attending the hearing:	£500
<u>Sub-Total:</u>	<u>£1,200</u>
<i>15% reduction:</i>	<i>-£180</i>
Official Fees:	£200
Total	£1,220

105. I therefore order L1 Capital Pty Ltd to pay Letterone Investment Holdings S.A. the sum of £1,220. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 19th day of August 2022

A COOPER

For the Registrar