

O/0294/23

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NOS.UK0003742968, UK0003742971 AND
UK0003765397

BY Q500 HOLDINGS LIMITED TO REGISTER:

Q500



(series of two)

IN CLASSES 9, 36 & 42

IN CLASSES 9, 36 & 42



(series of two)

IN CLASSES 9, 36 & 42



AND IN THE MATTER OF OPPOSITION THERETO UNDER NOS 434241, 434242 AND
434449

BY ARQUIA BANK, S.A.

BACKGROUND AND PLEADINGS

1. These are consolidated proceedings between Q500 Holdings Limited (“the applicant”) and Arquia Bank, S.A. (“the opponent”) involving three oppositions. The opponent has opposed three of the applicant’s applications. I will first set out the background regarding the parties’ marks before setting out the basis of the proceedings.

The applicant’s applications

TM No:	Trade mark No:	Trade mark(s):	Classes	Filing Date:	Published for opposition:	Oppositions filed:
1	UK0003742968	Q500	9, 36 & 42	13 January 2022	18 March 2022	15 June 2022
2	UK0003742971	 (series of two)	9, 36 & 42	13 January 2022	18 March 2022	15 June 2022
3	UK0003765397	 (series of two)	9, 36 & 42	14 March 2022	25 March 2022	23 June 2022

2. For the avoidance of doubt, I will refer to the applicant’s marks as numbers corresponding to the table above. With the first mark in the table being referred to as the first application and so on.

3. The goods and services for the earlier marks are set out in **Annexes 1-3** to this decision.

4. On 15 June 2022, the opponent filed a notice of opposition on the basis of section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) for the first two applications.¹ On 23 June 2022, the opponent filed a notice of opposition on the basis of section 5(2)(b) in the third application. The opposition is directed at some of the goods and services in the applicant’s marks, they are set out in paragraph 14 below. The opponent relies on the following trade mark:



UK registration no. UK00917129974.

Filing date 22 August 2017; date of entry in register 26 December 2017.

The specification of the opponent’s mark is set out in **Annex 2** of this decision.
 (“the opponent’s mark”)

5. The opponent relies on the following services in its oppositions to all of the applications:

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; administration of savings accounts; financial services relating to savings; savings scheme services; management of investment funds; financial advice relating to investment; financial investment brokerage; investment fund management; financing services; pension fund administration services; pension consultancy; planning services relating to pensions; provision of information relating to stock broking; consultancy services relating to credit.

6. The opponent submits that there is a likelihood of confusion because the applicant’s marks are visually, aurally and conceptually similar and the respective goods and services are

¹ The opposition initially included other grounds, namely section 5(3). The applicant confirmed in an email dated 5 October 2022 that they withdrew the section 5(3) ground from the opposition.

identical or similar. The applicant filed a defence and counterstatement denying the claims made.

7. After the applicant filed all its Form TM8s, the Tribunal wrote to the parties on 19 August 2022 and confirmed that under Rule 62 of the Trade Mark Rules 2008 (“the Rules”), the proceedings would be consolidated.

8. The applicant is represented by Stevens, Hewlett and Perkins. The opponent is represented by Withers & Rogers LLP. No hearing was requested. Neither party filed evidence. Both parties filed submissions in lieu of a 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.

DECISION

The oppositions

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

10. 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.”

11. Section 5A of the Act is as follows:

“5A 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.”

12. Given its filing date, the opponent's mark qualifies as an earlier trade mark under section 6(1) of the Act. The opponent's mark had not completed its registration process more than five years before the filing date of the applications at issue. The conditions of use do not, therefore, apply to the mark and the opponent can rely on all the goods and services for which its mark is registered. As mentioned above in paragraph 5, I note that the opponent is relying on the services in class 36 for its opposition.

13. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impression created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of

a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

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

COMPARISON OF THE GOODS AND SERVICES

14. The applicant's goods and services that are opposed are set out below. The opponent's services that it relies on in this opposition are set out below:

The applicant's goods and services	The opponent's services
<i>The first application's opposed goods and services</i>	<i>Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; administration of savings accounts; financial services relating to savings;</i>

Class 9: Computer software for use with virtual currency and digital currency; virtual and digital currency; downloadable virtual currency and digital currencies; software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual currency and the use of digital and virtual currency to obtain goods or services.

Class 36: Virtual and digital currency services; virtual and digital currency exchange services; virtual and digital currency transfer services; virtual and digital currency central repository services; virtual and digital payment services; currency trading services; information, advice and consultancy relating to the aforesaid services.

Class 42: Software as a Service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions

The second application's opposed goods and services

Class 9: Computer software for use with virtual currency and digital currency; virtual and digital currency; downloadable virtual currency and digital currencies; software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual

savings scheme services; management of investment funds; financial advice relating to investment; financial investment brokerage; investment fund management; financing services; pension fund administration services; pension consultancy; planning services relating to pensions; provision of information relating to stock broking; consultancy services relating to credit.

currency and the use of digital and virtual currency to obtain goods or services.

Class 36: Virtual and digital currency services; virtual and digital currency exchange services; virtual and digital currency transfer services; virtual and digital currency central repository services; virtual and digital payment services; currency trading services; information, advice and consultancy relating to the aforesaid services.

Class 42: Software as a Service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions.

The third application opposed goods and services

Class 9: Virtual and digital currency; computer software for use with virtual currency and digital currency; computer software for developing blockchain technology; computer software for validating business transactions using blockchain technology; downloadable virtual currency and digital currency; software for commerce over a global communications network; software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual currency and the use of digital and virtual currency to obtain goods or services.

Class 36: Virtual and digital currency services; virtual and digital currency exchange services; virtual and digital currency transfer services; virtual and digital currency central repository services; virtual and digital payment services; currency trading services; information, advice and consultancy relating to the aforesaid services.

Class 42: Software as a Service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions; computer software design and development services; computer software engineering; development of computer systems; Blockchain as a Service [BaaS]; blockchain platform development services; data encryption and decoding services; IT security, protection and restoration services; information, advice and consultancy relating to the aforesaid services.

15. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In *Canon*, Case C-39/97, the Court of Justice of the European Union (“CJEU”) 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”.

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

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

17. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-133/05, the General Court (“GC”) stated:

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

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

"... there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think the responsibility for those goods lies with the same undertaking."

19. The goods and services that are opposed by the opponent are identical in relation to the first and second applications. The third application's opposed goods and services are identical in relation to the class 36 services, consequently, I will address the class 36 services of all the applications together. However, the third application's opposed goods and services differ in relation to classes 9 and 42 goods and services, as there is some overlap with the first and second applications in these classes, I will address them collectively where they overlap. For goods and services in the third application that are different, I will address them separately.

All applications

Class 9

20. I note that the applicant submits in its submissions in lieu that "*computer software for use with virtual currency and digital currency*" and "*software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual currency and the use of digital and virtual currency to obtain goods or services*" are the dissimilar to the opponent's class 36 services on the basis that they differ in nature, purpose, distribution channels and are not in competition. Whilst I agree that the goods and services are not in competition and do not share nature and purpose, I disagree that there is no similarity between the goods and services in the opponent's mark. It is my view, that the applicant's goods are similar to "*monetary affairs*" in class 36 in the opponent's specification. In the absence of any evidence or submissions to the contrary, it is my view that the term monetary affairs could include, especially in today's world, affairs relating to digital money. Services which concern themselves with the movement of such monies are often likely to utilise software that would enable such movement. The goods in the applicant's specification are all types of software that pertain to commerce and currency and, consequently, I consider them to be complementary to the opponent's services insofar as they are important or indispensable to one another in such a way that customers may think the responsibility for the goods and services lies with the same undertaking. Further, it is my view that the goods and services will overlap in users. Taking all the above into account, I find the goods and services to be similar to a low to medium degree.

21. It is my view that “*virtual and digital currency*” and “*downloadable virtual currency and digital currency*” in the applicant’s specifications means currency issued by a bank in digital form (digital currency) and unregulated currency held by blockchain that is not controlled by a centralised banking authority (virtual currency), which can be downloaded in relation to the second term. It is my view that these goods are similar to “*monetary affairs*” in the opponent’s specification. As mentioned above, monetary affairs could include an exchange of digital, electronic and cryptocurrency. Services that concern themselves with the movement of such money will use the currency that is moved. I consider the goods and services to be complementary insofar as they are important or indispensable to one another in such a way that consumers may think that the responsibility for those goods and services lies with the same undertaking. It is also my view that the goods and services will overlap in users. Further, I do not consider that the goods and services will coincide nature or purpose. In addition, the goods and services are not in competition. Consequently, I find the services to be similar to a low to medium degree.

Class 36

22. As mentioned above in paragraph 20, monetary affairs could include an exchange of digital, electronic and cryptocurrency. In my view, “*virtual and digital currency services*”, “*virtual and digital currency exchange services*”, “*virtual and digital currency transfer services*”, “*virtual and digital currency central repository services*”, “*virtual and digital payment services*” and “*currency trading services*” in the applicant’s specifications are all forms of monetary transaction services and are therefore encompassed in the broader category of “*monetary affairs*” in the opponent’s specification. Therefore, I consider these services to be identical.

23. That leaves “*information, advice and consultancy relating to the aforesaid services*” in the applicant’s specifications. As I have found some of the applicant’s services to be identical to the opponent’s, it follows that the information, advice and consultancy services in relation to those services share a level of similarity with the opponent’s services. While they do not share the same level of identity, I consider that there is an overlap in users and trade channels between them. It is not my view that the services will coincide in purpose as the purpose of the applicant’s services is the provision of information, whereas the opponent’s services will be the movement of money and making payments etc. In my view, the services may be complementary but are not in competition. Therefore, I consider there to be a high degree of similarity between the services that I have found to be identical.

Class 42

24. I was unable to find any similarity between “*software as a service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions*” in the applicant’s specifications and any of the services in the opponent’s specification. Even when compared to the closest clash that I could identify in the opponent’s specification, being “*financial affairs*” in class 36, it is my view that the services differ in nature, purpose and method of use. They do not coincide in their producer/provider and do not share the same distribution channels. Furthermore, these services are not in competition however, the services may overlap in end users. Financial companies or institutions are not normally engaged in the delivery of software as a service, rather, they would outsource the delivery of such services to IT and data security companies. These services are clearly provided by different undertakings with expertise in completely different areas. Even if these services could be complementary, this is not sufficient in this instance to find them similar. The overlap in end users is insufficient to substantiate similarity between the services. Therefore, I find these services to be dissimilar.

25. That leaves “*information, advice and consultancy relating to the aforesaid services*” in the applicant’s specification. As I have found the class 42 services above to be dissimilar, it follows that the information, advice and consultancy services relating to the aforesaid services will also be dissimilar.

The third application

Class 9

26. In the absence of any submissions or evidence to the contrary, it is my view that “*computer software for developing blockchain technology*” in the applicant’s specification is software that can be used to develop blockchain technology. Blockchain to my understanding is a type of database that stores and organises information and is often used for cryptocurrency. Whilst blockchain is often used for cryptocurrency which would be associated with financial or monetary services in the opponent’s specification, it is my view that these goods are removed from the cryptocurrency. This is on the basis that the goods are for the software that is used to develop blockchain technology and not for the blockchain or cryptocurrency itself. Even comparing the goods with ‘*monetary affairs*’ in the opponent’s specification being the closest clash that I could identify, I find that the goods and services differ in users, nature, purpose, trade channels and method of use. The goods and services

are also neither in competition nor complementary. Therefore, I find the goods and services to be dissimilar.

27. Applying the same reasoning above, I find “*computer software for validating business transactions using blockchain technology*” in the applicant’s specification to be dissimilar to the services in the opponent’s specification.

28. In the absence of any submissions or evidence to the contrary, it is my view that “*software for commerce over a global communications network*” in the applicant’s specification is software that is used to support all online store processes. I consider that this good provides the software tools that business owners require to run a retail site, such as managing inventory, adding or removing products and computing taxes etc. Whilst I recognise that software for commerce has a relationship with finance, in that commerce is the buying and selling of commodities whereas finance is the management of money and other assets that can be created by the buying and selling, it is my view that software for commerce is too removed to warrant a finding of similarity between the goods and services. I consider the goods and services to differ in user, nature, method of use and purpose. It is not my view that the goods and services are in competition nor are they complementary. Therefore, I find the goods and services to be dissimilar.

Class 42

29. Applying the reasoning above in paragraph 24, I find that “*blockchain as a service [BaaS]*” and “*blockchain platform development services*” in the applicant’s specification and the closest clash that I can identify in the opponent’s mark, being “*financial affairs*” are dissimilar.

30. I was unable to find any similarity between “*computer software design and development services*”, “*computer software engineering*”, “*development of computer systems*”, “*data encryption and decoding services*” and “*IT security, protection and restoration services*” in the applicant’s specification and any of the services in the opponent’s specification. Therefore, I find these services to be dissimilar.

31. That leaves “*information, advice and consultancy relating to the aforesaid services*” in the applicant’s specification. I note that I have found the services above to be dissimilar, it follows that the information, advice and consultancy services relating to the aforesaid services will also be dissimilar.

THE AVERAGE CONSUMER

32. As the law above indicates, it is necessary for me to determine who the average consumer is for the parties' goods and services. I must then determine the manner in which the goods and services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J (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.”

33. The parties' specifications cover a range of financial goods and services that can be aimed at an ordinary member of the public and/or at a more specialised commercial customer or financial institution. In relation to the services, the cost of the services at issue is likely to vary dependent on the services provided and the frequency of the purchases. That said, the purchasing act for all of the respective services will be at least well considered as the average consumer, whether an individual or a commercial undertaking, will take note of, inter alia, charges, interest rates, price comparisons, security and accessibility of services, before entering into the purchasing act. In relation to the services, the purchase may be made visually from a website, brochure, prospectus, etc; the purchasing process will be predominantly visual. However, I do not discount that there will be an aural component to the selection of the services, in the form of advice from a financial advisor, for example. In the case of a consumer seeking, for example, a virtual or digital payment system to use for their business this will involve a fairly high level of attention and consideration prior to the purchasing act. In contrast, a customer who simply wishes to transfer money from their account will be a member of the general public who will pay a degree of attention which is lower than the commercial customer but higher than a medium level of attention (but not the highest) to the transaction.

34. In relation to the goods, they are also aimed at an ordinary member of the public and/or at a more specialised commercial customer or financial institution. That said, the

purchasing act for all of the respective goods will be at least well considered as the average consumer, whether an individual or a commercial undertaking, will take note of, inter alia, security, nature of the provider and ease of use before entering into the purchasing act. In relation to the goods, the cost of the goods at issue is likely to vary dependent on the goods provided and the frequency of the purchases. The purchase of the goods may be made visually from a website, brochure, prospectus, etc.; the purchasing process will be predominantly visual. However, I do not discount that there will be an aural component to the selection of the goods and services, in the form of advice from a financial advisor, for example. In the case that a consumer seeking, for example, software for digital and virtual currency trading services this will involve a fairly high level of attention and consideration prior to the purchasing act. In contrast, a consumer who simply wishes to make payments and transactions directly through their mobile phone will be a member of the general public who will pay a lower degree of attention than the commercial consumer but between a medium and high degree (but not the highest) of attention to the transaction.

DISTINCTIVE CHARACTER OF THE EARLIER MARK

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C- 108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).



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


36. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with a high inherent distinctive character, such as invented words which have no allusive qualities. The opponent has not pleaded that its marks have obtained enhanced levels of distinctiveness, nor has it filed any evidence to that effect, therefore, I have only the inherent position to consider.

37. The opponent's mark consists of the letter 'Q' presented in slightly stylised orange text. 'Q' has no meaning and is neither descriptive nor allusive of the services at issue. I do not consider that the addition of the colour orange or slight stylisation of the mark is particularly remarkable. While the stylisation and colour will no doubt contribute to the distinctiveness of the mark, I find that it is only to a minimal degree and not enough to elevate the distinctiveness of the mark to any higher than a medium degree. Consequently, I find the opponent's mark enjoys a medium degree of inherent distinctive character.

COMPARISON OF THE MARK

38. The marks to be compared are as follows:

The applicant's marks	The opponent's mark
<p>Q500 (the first application)</p>	
 <p>(the second application)</p>	

 <p>(the third application)</p>	
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39. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated, at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

40. 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.

First application

Overall impression

41. The opponent’s mark consists of a word mark of the letter ‘Q’ which appears stylised and in orange. The letter ‘Q’ plays a greater role in the overall impression of the mark with the stylisation and colour playing a lesser role.

42. The applicant’s first application consists of the text ‘Q500’. I note that the opponent submits that the dominant and distinctive element of the first application is the letter Q, which comprises the whole of the opponent’s mark. In terms of the overall impression, I do not

consider that the letter nor the numbers dominate the mark. The overall impression of the mark rests, therefore, in the whole mark.

Visual comparison

43. I note that the applicant submits that the marks are visually dissimilar on the basis that the opponent's mark consists of one letter which appears in orange. Further, the applicant submits its application appears alongside the distinctive number 500. However, I note that the opponent submits that the number 500 in the application will not be paid much attention by the average consumer when the application is viewed visually. Contrary to both parties, as mentioned above, it is my view that the overall impression of the applicant's mark rests in the mark as a whole. I consider that whilst the stylisation and colour in the opponent's mark play a lesser role, they are both points of visual difference between the marks. Further, I note that the number 500 in the application has no counterpart in the opponent's mark, which is another point of difference. They are similar to a low degree.

Aural comparison

44. Aurally, the stylisation and colour of the opponent's mark cannot be pronounced. The opponent's mark will be pronounced as one syllable QUEUE. Whereas the application will be pronounced as four syllables QUEUE-FIVE-HUND-RED. The marks coincide with the pronunciation of QUEUE. They differ in the pronunciation of FIVE-HUND-RED. Taking this into account, I find the marks to be similar to a low degree.

Conceptual comparison

45. Conceptually, the opponent's mark will carry no obvious concept that is capable of being grasped by the average consumer.

46. I also do not consider that the applicant's mark will convey any particular meaning to the average consumer. As a result, I find the marks to be conceptually neutral.

Second application

Overall impression

47. The findings I made above in paragraph 41 in relation to the overall impression of the opponent's mark apply here.

48. The first mark in the series consists of the text 'Q500' in a grey slightly stylised font. Above the text is a figurative element of three peaks or waves presented in white on a square grey background. While the eye is naturally drawn to the element that can be read, I consider that it plays an equal role with the figurative element, given the size of the figurative element and its central positioning within the mark.

49. The second mark in the series consists of the text 'Q500' in a white slightly stylised font. To the left of the text is a figurative element that appears to be three peaks or waves that appear in grey on a white square background. This is all set on a grey rectangular background. The eye is naturally drawn down to the element of marks that can be read, and given the size and positioning of the text element, it is my view that this will play a dominant role in the mark with the stylisation, colour and figurative element all playing a lesser role.

Visual comparison

50. Visually, the applicant's first mark in the series and the opponent's mark share the letter 'Q'. However, the marks differ in the stylisation and colour of both marks alongside the presence of the figurative element and the '500' in the applicant's mark. Taking this into account, I find the marks to be visually similar to a very low degree.

51. Visually, the applicant's second mark in the series and the opponent's mark share the letter 'Q'. However, the marks differ in the stylisation and colour of both marks alongside the presence of the figurative element and the '500' in the applicant's mark. I consider the marks to be visually similar to a very low degree.

Aural comparison

52. Aurally, the stylisation, colour and figurative element of the marks cannot be pronounced. Both marks in the series of the application will be pronounced as QUEUE- FIVE- HUND-RED. The opponent's mark will be pronounced as QUEUE. The marks will coincide in the pronunciation of QUEUE but differ in the pronunciation of FIVE-HUND-RED. I consider the marks to be aurally similar to a low degree.

Conceptual comparison

53. The opponent submits that the average consumer will focus on the commonality of the letter Q in the marks, making the marks conceptually similar to a high degree, whereas the applicant submits that due to the absence of the number 500 and figurative element in the opponent's mark, the applicant's marks are conceptually different to the opponent's mark. I disagree with both parties. It is not my view that the figurative elements in the application will convey any conceptual message to the average consumer. This leaves the conceptual comparison as being between the word elements of the marks. Consequently, the comparison I made above in paragraphs 45-46, in relation to the comparison of the 'Q' and 'Q500' word elements applies here. It is my view that neither mark will convey a conceptual message to the average consumer, therefore, I find the marks to be conceptually neutral.

Third application

Overall impression

54. The findings I made above in paragraph 41 in relation to the opponent's mark apply here.

55. In relation to the first mark in the series in the third application, it consists of the text 'Q5' over '00' which both appear in stylised grey text. Above the 'Q5' is the figurative element of three waves or peaks that appear in white on a grey background. While the eye is naturally drawn to the element that can be read, this is not always the case. Having said that, I do not consider that the text 'Q5' and '00' will be overlooked but, instead, consider that it plays an equal role with the figurative element. I make this finding given the size of the figurative element and its positioning within the mark.

56. In relation to the second mark in the series in the third application, it consists of the text 'Q5' positioned over the text '00' that appears in white stylised text. To the left of the text is the figurative element of three waves or peaks that appear in grey on a white background. All of the aforementioned text and the figurative element appear on a grey rectangular background. While the eye is naturally drawn to the element that can be read, I consider that it plays an equal role with the figurative element, given the size of the figurative element.

Visual comparison

57. Visually, both of the marks in the application and the opponent's mark share the letter 'Q'. However, the marks differ in the stylisation and colour of both marks alongside the presence of the figurative element and '500' in the applicant's mark. Taking this into account, I find the marks to be visually similar to a very low degree.

Aural comparison

58. The aural comparison that I have made above in paragraph 52 applies here, I find both marks in the series to be aurally similar to a low degree.

Conceptual comparison

59. The conceptual comparison made above in paragraph 53 applies here, I find both marks in the series to be conceptually neutral.

LIKELIHOOD OF CONFUSION

60. 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 goods and 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 goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer of the goods and 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.

61. I have found the applicant's first application and the opponent's mark to be visually and aurally similar to a low degree. In addition, I have found the marks to be conceptually neutral. I have found the marks in the second and third applications to be visually similar to a very low degree, aurally similar to a low degree and conceptually neutral. I have found the opponent's mark to be inherently distinctive to a medium degree. I have found the average consumer to

be a member of the general public or business users, who will select the goods and services at issue via visual means (although I do not discount an aural component). I have concluded that the average consumer's degree of attention will vary from between medium to a high level (but not the highest) to high degree of attention. I have found the goods and services at issue to vary in similarity from a low to medium degree to identical (except where I have found them to be dissimilar).

All applications

62. Taking all of the above into account, I consider that the differences between the applications and the opponent's mark are sufficient to avoid confusion, even when the principle of imperfect recollection is considered. While the marks share the letter 'Q', the level of visual and aural similarity is low, in relation to the second and third applications the marks are visually similar to a very low degree, meaning the similarity is not sufficiently high so that the average consumer would overlook any differences and mistakenly recall or misremember the marks. Consequently, I consider that there is no likelihood of direct confusion between the applications and the opponent's mark. I make this finding having considered that I have found some of the services to be identical and taking into account that the average consumer's level of attention will vary from between medium to high degree (but not the highest) to high degree of attention when purchasing the goods and services.

63. Indirect confusion involves recognition by the average consumer of the difference between the marks. Indirect confusion was described in the following terms by Iain Purvis Q.C. (as he was then), sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

"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 recognised 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.

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).”

64. Whilst I note that the examples set out by Mr Purvis are not exhaustive, I note the recent case of *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors*,² wherein Arnold LJ referred to the comments of James Mellor QC (as he was then) sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria (O/219/16)*, where he stated that a finding of a likelihood of indirect confusion is not a consolation prize and that there needs to be a reasonably special set of circumstances in order to get indirect confusion where there is no 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.

65. Upon being confronted with the parties’ marks, I find it likely that the average consumer would view ‘Q’ and ‘Q500’ as separate indicators that the marks at issue originate from different and unconnected undertakings. I do not consider that the opponent’s mark is so strikingly distinctive that the average consumer would assume that only the opponent would use the letter Q. On the contrary, taking into account the medium (or average) degree of distinctive character of the opponent’s mark, I am of the view that any similarity that average consumers are able to identify from the shared letter ‘Q’ will be considered to be purely

² [2021] EWCA Civ 1207

coincidental. When confronted with the applications and the opponent's mark, I do not consider that there is any basis for the average consumer to believe that the undertaking 'Q' would rebrand or create a sub-brand/brand extension of itself as 'Q500' or vice versa. I make this finding particularly taking into account that the average consumer will pay between a medium to high degree (but not the highest) to high degree of attention during the purchasing process of the goods and services. Whilst the *L.A. Sugar* examples cited above are not exhaustive, I do not consider that this case falls into any of them, nor can I see any other basis for a finding of indirect confusion. Bearing all of the above in mind, I do not consider there to be a likelihood of indirect confusion between any of the applications and the opponent's mark. This is also the case in the context of the services I have found to be identical.

CONCLUSION

First application

66. The opposition has failed. The application may proceed to registration for all its goods and services.

Second application

67. The opposition has failed. The application may proceed to registration for all its goods and services.

Third application

68. The opposition has failed. The application may proceed to registration for all its goods and services.

COSTS

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

Preparing a statement, considering the opponent's statement and drafting submissions in lieu

£400

70. I, therefore, order Arquia Bank, S.A. to pay Q500 Holdings Limited the sum of 400. The sum is to 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 22nd day of March 2023

A KLASS

For the Registrar

Annexes

Annex 1

The first application's full specification

Class 9: Computer software for use with virtual currency and digital currency; Virtual and digital currency; computer software for developing blockchain technology; computer software for validating business transactions using blockchain technology; downloadable virtual currency and digital currency; software for commerce over a global communications network; software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual currency and the use of digital and virtual currency to obtain goods or services.

Class 36: Virtual and digital currency services; virtual and digital currency exchange services; virtual and digital currency transfer services; virtual and digital currency central repository services; virtual and digital payment services; currency trading services; information, advice and consultancy relating to the aforesaid services.

Class 42: Software as a Service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions; computer software design and development services; computer software engineering; development of computer systems; Blockchain as a Service [BaaS]; blockchain platform development services; data encryption and decoding services; IT security, protection and restoration services; information, advice and consultancy relating to the aforesaid services.

The second application's full specification

Class 9: Computer software for use with virtual currency and digital currency; virtual and digital currency; computer software for developing blockchain technology; computer software for validating business transactions using blockchain technology; downloadable virtual currency and digital currency; software for commerce over a global communications network; software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual currency and the use of digital and virtual currency to obtain goods or services.

Class 36: Virtual and digital currency services; virtual and digital currency exchange services; virtual and digital currency transfer services; virtual and digital currency central repository services; virtual and digital payment services; currency trading services; information, advice and consultancy relating to the aforesaid services.

Class 42: Software as a Service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions; computer software design and development services; computer software engineering; development of computer systems; Blockchain as a Service [BaaS]; blockchain platform development services; data encryption and decoding services; IT security, protection and restoration services; information, advice and consultancy relating to the aforesaid services.

The third application's full specification

Class 9: Virtual and digital currency; Computer software for use with virtual currency and digital currency; computer software for developing blockchain technology; computer software for validating business transactions using blockchain technology; downloadable virtual currency and digital currency; software for commerce over a global communications network; software for digital and virtual currency trading services, transaction services, acquisition of digital and virtual currency and the use of digital and virtual currency to obtain goods or services.

Class 36: Virtual and digital currency services; virtual and digital currency exchange services; virtual and digital currency transfer services; virtual and digital currency central repository services; virtual and digital payment services; currency trading services; information, advice and consultancy relating to the aforesaid services.

Class 42: Software as a service (SaaS) featuring computer software for use in electronically trading, storing, sending, receiving, accepting and transmitting digital currency, and managing digital currency payment and exchange transactions; computer software design and development services; computer software engineering; development of computer systems; Blockchain as a Service [BaaS]; blockchain platform development services; data encryption and decoding services; IT security, protection and restoration services; information, advice and consultancy relating to the aforesaid services.

Annex 2

The opponent's mark

Class 16: Paper cardboard; Printed matter; binding articles; Photographs; Stationery; Glue for stationery or household purposes; Artists' materials; Paint brushes; Typewriters and office requisites (except furniture); Instructional and teaching material (except apparatus); Plastic material for packaging (not included in other classes); Printers' type; Printing blocks; Printed publications.

Class 36: Insurance; Financial affairs; Monetary affairs; Real estate affairs; Administration of savings accounts; Financial services relating to savings; Savings scheme services; Management of investment funds; Financial advice relating to investment; Financial investment brokerage; Investment fund management; Financing services; Pension fund administration services; Pension consultancy; Planning services relating to pensions; Provision of information relating to stock broking; Consultancy services relating to credit.