O/0534/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK3902580
IN THE NAME OF LEON CAPITAL LLP
TO REGISTER THE FOLLOWING TRADE MARK:

LEON CAPITAL

IN CLASS 36

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 600003027
BY CLEON CAPITAL ADVISORS, S.L.

Background and pleadings

1. On 19 April 2023, LEON CAPITAL LLP ("the Applicant") applied to register the trade mark shown on the cover page of this decision in the UK. It was accepted and published in the Trade Marks Journal on 16 June 2023 in respect of the following services;

   Class 36: Private equity and financial asset management services.

2. On 13 September 2023, CLEON CAPITAL ADVISORS, S.L. ("the Opponent") opposed the application under the fast track opposition procedure, based upon section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opponent relies upon the following mark:

   CLEON | CAPITAL

   UK Registration no. UK00917964918[1]
   Date of registration: 06 February 2019

   Relying upon the following services:

   Class 36: Financial and monetary services, and banking; Financial strategy consultancy services; Financial economic advisory services.

3. By virtue of its earlier filing date of 04 October 2018, the above registration constitutes an earlier mark within the meaning of section 6 of the Act. As the earlier mark had not completed its registration process more than five years before the filing date of the application in issue, it is not subject to the use provisions contained in section 6A of the Act. The Opponent can, therefore, rely upon all of the services it has identified without having to demonstrate use.

[1] The earlier mark was initially registered at the European Union Intellectual Property Office (EUIPO). The opponent's mark is a comparable mark based on the opponent's pre-existing EUTM, being EUTM 17964918. On 1 January 2021, in accordance with Article 54 of the Withdrawal Agreement between the UK and the European Union, the UK IPO created comparable UK trade marks for all right holders with an existing EUTM.

4. The Opponent submits that the services in class 36 of the Applicant's mark are identical to the services relied upon under the Opponent's mark and that the competing marks are visually, aurally and conceptually similar to a high degree. It submits that the identity of the services and the high similarity of the marks are such that there is a risk of confusion in the market, including a risk of indirect confusion.

5. The Applicant filed a counterstatement in which it denies the competing marks are visually, aurally and conceptually highly similar. The Applicant denies that the services for which protection is sought are identical to those of the Opponent's mark and denies that the relevant public would be confused between the competing marks.

6. Rule 6 of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Mark Rules 2008, but provides that Rule 20(4) shall continue to apply. Rule 20(4) states that: "(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit." The net effect of these changes is to require the parties to seek leave in order to file evidence in fast track oppositions.

7. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost; otherwise, written arguments will be taken.

8. In an official letter dated 12 December 2023, in accordance with Tribunal Practice Notice 2/2013, the parties were allowed until 27 December 2023 to seek leave to file evidence and/or request a hearing and until 9 January 2024 to provide written submissions.

9. In a letter dated 15 December 2023, the applicant requested permission to file evidence of fact, however the Registry considered it to be inappropriate and unnecessary.[2]

10. A hearing was neither requested nor considered necessary; however, both parties filed written submissions in lieu. This decision is taken following a careful consideration of the papers.

11. The applicant is represented by Howard Kennedy LLP; the opponent is represented by Lara Grant.

12. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

DECISION

Section 5(2)(b)

13. Section 5(2)(b) of the Act is as follows:

> "5(2) A trade mark shall not be registered if because-
>
> …
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

[2] As addressed in the official response dated 19 December 2023.

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

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

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

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

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

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive

role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa; Page 8 of 20

(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

15. The services for comparison are as follows:

Opponent's services	Applicant's services
Class 36 *Financial and monetary services, and banking; Financial strategy consultancy services; Financial economic advisory services.*	Class 36 *Private equity and financial asset management services.*

16. In *Gérard Meric v OHIM,* Case T-133/05, the General Court ("GC") stated that:

"In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme*

v OHIM - Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".[3]

17. I understand 'private equity' to be an area of financial services relating to investment; either in private companies or being privately sourced. The Opponent submits that 'private equity' relates to investment partnerships that buy and manage companies before selling them.[4] The Applicant does not provide any alternative definition of this term.

18. I interpret 'financial asset management services' as an area of financial services which manages financial assets. The Opponent submits that 'financial asset management' is "the day-to-day running of a wealth portfolio".[5]

19. I note that the Applicant submits that the Opponent's services do not include private equity nor financial asset management. However, I consider 'private equity and financial asset management services' to be examples of financial services, and therefore they are encompassed by the Opponent's broader term. Taking this into account, I consider the Applicant's services *"private equity and financial asset management services"* to be *Meric* identical to the Opponent's term '*Financial and monetary services'*.

Average consumer and the purchasing act

20. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then decide the manner in which these goods 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. described the average consumer in these terms:

[3] Paragraph 29
[4] Opponent's written submissions paragraph 12.
[5] Opponent's written submissions paragraph 13.

"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".

21. In respect of the services in class 36, I consider the average consumer is likely to be individuals or companies who are seeking financial services. The Opponent submits that *"the targeted consumer can be any member of the general public with interest in investing and building a wealth portfolio as well as a more professional customer, such as professional investors or financial institutions".*[6]

22. The purchasing process for the services is likely to involve scrutinising the brochures and websites of the companies that offered the services and perusal of advertisements or signage on physical premises; therefore, the purchasing process would be primarily a visual one. However, the consumer may also seek reviews or recommendations about financial products, where verbal factors would come into play.

23. The services are likely to be sought infrequently and although the costs of the services will vary according to the exact nature, the cost could be substantial. An individual consumer will, in my view, be prudent when considering their prospective service provider because they will want to ensure that the service meets their needs and effectively manages their finances. Where the average consumer is a company, their level of attention will be higher as they may be investing on behalf of stakeholders and would want to ensure the reputation of their business was protected.

24. Weighing all factors, I find that where the average consumer is a member of the general public, they will apply a higher than average degree of attention to the

[6] Opponent's submissions in lieu, paragraph 17.

purchase. Where the average consumer is a company, they will apply a high degree to attention to the purchase.

Comparison of marks

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

26. It would be wrong, therefore, to dissect the trade marks artificially, 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.

27. The respective trade marks are shown below:

Earlier trade mark	Contested trade mark
CLEON | CAPITAL	**LEON CAPITAL**

Overall impression

28. The Opponent's mark consists of two words "CLEON" and "CAPITAL" in a standard upper case font, separated by an elongated pipe symbol. The "CLEON"

and pipe elements are presented in bold, in a blue/green colour and the word "CAPITAL" is presented in in a pale grey font. In relation to the overall impression, the Opponent submits that the word "CAPITAL" is non-distinctive when used in relation to financial services. [7] I agree and as such, find that the overall impression lies in a combination of the words "CLEON" and "CAPITAL" with the word "CLEON" playing a greater role and "CAPITAL" playing a lesser role. The pipe symbol, whilst not entirely negligible, may be overlooked by the average consumer.

29. The Applicant's mark is a word mark, consisting of two words "LEON" and "CAPITAL" in standard uppercase typeface. There are no other elements to contribute to the overall impression. I find that the overall impression lies in a combination of these words with the word "LEON" playing a greater role and "CAPITAL" playing a secondary role due to its non-distinctive nature.

Visual comparison

30. Visually the competing marks overlap as they share 11 letters, namely "LEON CAPITAL". This forms the entirety of the Applicant's mark, while the Opponent's mark contains an additional letter "C" as its first letter, and an additional pipe symbol to separate the words "CLEON" and "CAPITAL".

31. The Applicant submits that the marks are "immediately visually distinguishable due to the difference in the first letter element of the marks", [8] while the Opponent states that the letter 'C' "does not prevent the likelihood of confusion given its negligible nature even if in its initial position." [9] I disagree with the Opponent's submissions. In *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the GC noted that the beginning of words tend to have more visual and aural impact than the ends so I find that it is unlikely that the letter C in the Opponent's mark will be overlooked.

[7] Opponent's submissions in lieu, paragraph 32.
[8] Paragraph 5 of the Applicant's Counterstatement
[9] Opponent's submissions in lieu, paragraph 34.

32. Another point of difference is that the Applicant's mark is presented in a standard black font, while the Opponent's mark is presented in blue/green and grey fonts, although I note that registration of a mark in black and white may cover use of the mark in colour.[10]

33. Considering all of these factors, I find the marks to be visually similar to at least a medium degree.

Aural comparison

34. Aurally, the Applicant's consists of five syllables, which will be pronounced "LEE-ON CAP-IT-ALL". The Opponent's mark also consists of five syllables, which will be pronounced "CLEE-ON CAP-IT-ALL". The competing marks share four out of five syllables. However, the additional letter "C" at the start of the Opponent's mark creates a point of difference in the pronunciation of the first syllable, between "LEE" and "CLEE". Considered overall, I find the marks to be aurally similar to a high degree.

Conceptual comparison

35. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted in numerous judgments of the GC and the Court of Justice of the European Union ("CJEU"), including *Ruiz Picasso v OHIM.*[11] The assessment must be made from the point of view of the average consumer.

36. The parties submit that the word "CLEON" within the Opponent's mark is a male forename, however I consider that this name is not sufficiently common within the UK for it to be recognised by the average consumer. In the absence of evidence to the contrary, in my view it is likely that the average consumer would consider the "CLEON" element of the earlier mark to be an invented word. The first part of the Applicant's mark "LEON" would be recognised by a significant proportion of

[10] See paragraph 5, *Specsavers* [2014] EWCA Civ 1294.
[11] [2006] e.c.r.-I-643; [2006] E.T.M.R. 29

average consumers as being a male forename. In view of this, I find the "CLEON/LEON" elements to be conceptually dissimilar.

37. While the competing marks share an identical concept within the shared second word "CAPITAL", this term is descriptive/non-distinctive when considered in relation to the financial services in class 36.

Distinctive character of the earlier trade mark

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

39. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use that has been made of it.

40. The Opponent has not filed any evidence to support that the earlier mark's distinctive character has been enhanced through use. Consequently, I have only the inherent position to consider.

41. The Opponent's mark consists of the words 'CLEON CAPITAL' with a vertical line separating the words. I consider the inherent distinctiveness of the mark to lay in the words, as I find that the stylisation and the vertical line between the words adds little to the level of distinctiveness of the mark as a whole. As previously discussed, the word "CLEON" will be viewed as an invented word rendering this part of the mark distinctive to a high degree. The "CAPITAL" element is descriptive of the services in class 36. On balance, I consider the earlier mark holds a medium degree of distinctiveness.

Likelihood of confusion

42. I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the services may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V*).

43. There are two types of confusion that may occur. Direct confusion is where the average consumer mistakes one mark for the other, while indirect confusion is where the average consumer recognises that the marks are different, but for some

reason assumes that the later mark also identifies the goods or services of the owner of the earlier mark, or that the two undertakings are related: see *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, paragraph 16.

44. Earlier in this decision, I found that the competing services are *Meric* identical. The average consumer of the services will be individuals who will pay a higher than average or companies who will pay a high degree of attention during the purchasing process, which will be selected by predominantly visual means, although I do not discount an aural component.

45. I found the marks to be visually similar to at least a medium degree and aurally similar to a high degree. Conceptually, I found the shared descriptive element "CAPITAL" to be identical whereas the distinctive element in each of the marks, being "CLEON" and "LEON" gave rise to a point of conceptual dissimilarity. On balance, I found the earlier mark to be inherently distinctive to a medium degree.

46. I acknowledge the degree of visual and aural similarity between the marks and the shared "CAPITAL" element, however in respect of the more distinctive elements of the marks, "LEON" has a meaning to the average UK consumer (as a male forename) whereas "CLEON" will have no obvious meaning to a significant proportion of UK consumers.

47. In *The Picasso Estate v OHIM*, Case C-361/04 P, the CJEU found that:

> "20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law."

48. I do not discount the fact that the services are *Meric* identical and that the earlier mark has a medium degree of distinctiveness, however I find that these factors are

insufficient to outweigh the conceptual difference between “CLEON” and “LEON”. I find that this difference will help the average consumer to distinguish the marks and avoid confusion, especially when considering that those consumers will pay at least a higher than average degree of attention during the purchasing process. Consequently, I see no likelihood of direct confusion between the marks.

49. That leaves indirect confusion to be considered. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis QC, (as he then was) sitting 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.
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> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
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> > (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)."

50. These three categories are not exhaustive; rather, they were intended to be illustrative of the general approach, as has been confirmed by the Court of Appeal. I recognise that a finding of indirect confusion should not be made merely because the competing marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.[12]

51. Furthermore, in *Liverpool Gin*,[13] Arnold LJ referred to the comments of James Mellor QC (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.

52. The Opponent submits that there is a high degree of likelihood of indirect confusion as consumers will believe the competing marks "come from connected undertakings or endorsed businesses"[14] or are a "sub-brand, family of marks or re-stylisation".[15] I disagree. Although the marks share the same "Capital" element, I found this element to be non-distinctive in relation to the class 36 services. Further, I do not see any relationship between the words "Cleon" and "Leon" that

[12] *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17
[13] *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207
[14] Opponent's submissions in lieu, paragraph 44.
[15] Opponent's submissions in lieu, paragraph 45.

would signify that the marks come from connected undertakings or indicate a sub-brand, family of marks or re-stylisation, nor has the Opponent provided any further reasoning for this argument. Instead, I find that the average consumer would put the presence of the common elements down to coincidence rather than an economic connection and consequently, I do not find there to be any likelihood of indirect confusion.

Conclusion

53. The opposition under section 5(2)(b) of the Act has failed. Subject to any successful appeal against my decision, the application will proceed to registration.

COSTS

54. The applicant has been successful and is entitled to a contribution towards its costs. Therefore, considering the guidance in Tribunal Practice Notice 1/2023, I award the Applicant costs on the following basis:

Considering the notice of opposition and preparing a counterstatement	£250
Written submissions in lieu of a hearing	£400
Total:	**£650**

55. I therefore order CLEON CAPITAL ADVISORS, S.L. to pay LEON CAPITAL LLP the sum of **£650**. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 10th day of June 2024

Emma Rees
For the Registrar