O/0648/23

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NOS. 3769378 & 3769376
BY ETHEREUM WORLDS LIMITED
TO REGISTER THE FOLLOWING TRADE MARKS:

Ethereum Towers

And

Ethereum Worlds

IN CLASS 36

AND

IN THE MATTER OF OPPOSITIONS THERETO
UNDER NOS. 434530 & 434531
BY STIFTUNG ETHEREUM
(FOUNDATION ETHEREUM)

Background and pleadings

1. On 23 March 2022, Ethereum Worlds Limited ("the applicant") applied to register the trade marks "Ethereum Worlds**"** and "Ethereum Towers" in the UK under application numbers 3769378 ("the first contested mark") and 3769376 ("the second contested mark") respectively. Both marks were accepted and published in the Trade Marks Journal on 8 April 2022. Under both marks, registration is sought for *Financial affairs* and *Monetary affairs* in class 36.

2. Stiftung Ethereum (Foundation Ethereum) ("the opponent") opposes the two applications under section 5(2)(b) of the Trade Marks Act 1994 ("the Act") on the basis of the following trade mark:

> **ETHEREUM**
> UK Trade Mark No: UK00801444094[1]
> Filing date: 13 August 2018
> Priority date: 8 March 2018
> Relying on all services in class 36, namely: *Cryptocurrency services, namely, providing a digital currency or digital token for use by members of an on-line community via a global computer network; cryptocurrency services, namely, a digital currency or digital token, incorporating cryptographic protocols, used to operate and build applications and blockchains on a decentralized computer platform and as a method of payment for goods and services.*

3. Given the respective filing date, the opponent's mark constitutes an earlier mark in accordance with section 6 of the Act.

[1] The earlier mark was initially an international registration designated in the EU. On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing EUTM. As a result, at the end of the Implementation Period, it was automatically converted to a comparable UK trade mark. The comparable UK mark is now recorded on the UK trade mark register and has the same legal status as if it had been applied for and registered under UK law, and the original filing and priority dates remain.

4. In its notices of opposition, the opponent contends that the parties' respective services are identical and that the competing trade marks are similar, giving rise to a likelihood of confusion.

5. The applicant filed counterstatements denying the claims made by the opponent.

6. On 9 September 2022, the proceedings were consolidated pursuant to rule 62(1)(g) of the Trade Marks Rules 2008 ("the Rules").

7. Both parties are professionally represented in these proceedings, the opponent by Forresters IP LLP and the applicant by Trademarkit LLP. Only the opponent filed evidence in these proceedings. No hearing was requested but the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

8. 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

9. The opponent filed evidence in the form of two witness statements. The first witness statement is in the name of Mark Bhandal dated 8 November 2022 and is accompanied by 22 exhibits. Mr Bhandal is a Senior Chartered Trade Mark Attorney of the firm Forresters IP LLP and is the opponent's representative in these proceedings.

10. The second witness statement is in the name of Patrick Storchenegger dated 9 November 2022 with no accompanying exhibits. Mr Storchenegger is a board member of the opponent's company, a position he has held since 21 October 2016.

11. The main purpose of the evidence is to demonstrate that the earlier mark is well known and has acquired an enhanced level of distinctive character in relation to cryptocurrency services in class 36.

12. Whilst I do not propose to summarise it here, I have taken the evidence into account in reaching my decision and will refer to it below where necessary.

Proof of Use

13. As the opponent's mark had not completed its registration process more than 5 years before the filing date of the applications in issue, it is not subject to proof of use pursuant to section 6A of the Act. The opponent can, therefore, rely upon all of the services it has identified.

Decision

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

15. 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.

The principles:

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

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

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

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

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components; (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

Comparison of services

16. 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, 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".

17. The services to be compared are as follows:

Opponent	Applicant
36: Cryptocurrency services, namely, providing a digital currency or digital token for use by members of an on-line community via a global computer network; cryptocurrency services, namely, a digital	36: Financial affairs; Monetary affairs.

currency or digital token, incorporating cryptographic protocols, used to operate and build applications and blockchains on a decentralized computer platform and as a method of payment for goods and services.	

18. The opponent in their submissions in lieu contests that their services are essentially a subset of the applicant's services. They claim that financial affairs and monetary affairs covers all and every manner of financial service, including the provision of a cryptocurrency.

19. I consider that *financial affairs* and *monetary affairs* are both services that relate to money or currency. These services would include services relating to cryptocurrency including the opponent's services. On that basis, I consider the competing services to be identical on the principle outlined in *Meric.*

The average consumer and the nature of 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 and services. I must then determine the manner in which the goods 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."

21. The opponent submits that the average consumer will comprise consumers of financial services including an investor or a trader.

22. The applicant submits that the average consumer would include members of the general public. It also argues that the services are of a specialised nature and may have important financial consequences for their users. As such, they believe that the consumers' level of attention will be higher than average.

23. I agree for the most part with the parties' submissions. The average consumer will consist of both the general public and professionals. The applicant's specifications cover fairly broad financial 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 opponent's services, these will also be aimed at members of the general public, particularly those with an interest in using and trading in cryptocurrency or alternatively, business users and financial institutions. The selection process 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 and accessibility of services. I consider that all consumers will pay a high degree of attentiveness during the selection process.

24. The average consumer is likely to select the services from a website, a brochure or prospectus. Consequently, visual considerations are likely to dominate the selection process. However, I do not discount that there may be an aural element to the purchase of these services as advice may be given to consumers in their local branch of a bank, over the telephone or via a broker, financial advisor or other intermediary.

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 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 relevant 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 artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the trade 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 marks to be compared are as follows:

<table>
<tr><th>Opponent's mark</th><th>Applicant's marks</th></tr>
<tr><td rowspan="2">ETHEREUM</td><td>(The first contested mark)

Ethereum Towers</td></tr>
<tr><td>(The second contested mark)

Ethereum Worlds</td></tr>
</table>

Overall impression

28. The opponent's mark consists of the word "ETHEREUM" presented in upper case font. There are no other elements to contribute to the overall impression which lies in the word itself.

29. The first contested mark consists of the words “Ethereum Towers”. In relation to the overall impression, the opponent submits the following:

> “It is asserted that the dominant and distinctive component of both marks being compared is the word ETHEREUM, not least because ETHEREUM is a coined word that has acquired a distinctive character.
>
> Also, because the word ‘Towers’ in the Applicant’s mark does not have significant distinctive value, it will be considered that this is merely an indication of the environment (or indeed ‘housing’) in which the services will be provided. Examples of how ‘Towers’ is a descriptor of an environment are ‘Alton Towers,’ which is a British theme park near the market town of Alton, ‘The Twin Towers,’ which was an informal name of the destroyed World Trade Center, ‘Fawlty Towers,’ which is fictional name of a hotel in a well-known British sitcom of the same name, and others such as the Sheraton Towers, Citadel Towers, and in the phrase Ivory Towers. In all instances, ‘towers’ is descriptive of the environment or housing. In each example, it is the first word that is the dominant and distinctive word and explains to the consumer how that offering differentiates from any other ‘towers’ environment or establishment.”

30. I agree with the opponent and consider that “Ethereum” plays a greater role in the overall impression as the word “Towers” may be indicative of where the services can be found. However, I do not consider the word “Towers” to be negligible, though it plays a slightly smaller role in the overall impression.

31. Similarly, the applicant’s second mark consists of two words; “Ethereum Worlds”. The opponent contends:

> “The word ‘Worlds’ in the Applicant’s mark does not have significant distinctive value, as it will be considered merely an indication of the environment in which the services will be provided. Examples of how ‘world’ is a descriptor of an environment are ‘Disney World,’ which is an environment of Disney-themed attractions, ‘Sea World,’ which is an environment containing oceanariums, and

'Wizarding World,' which is a fantasy media franchise and shared fictional universe centred on the Harry Potter novel series by J. K. Rowling. In each example, it is the first word that is the dominant and distinctive word and explains to the consumer what is being provided in the environment."

32. Again, for the reasoning put forward by the opponent, I consider that "Ethereum" will play a greater role in the overall impression and "Worlds" will play a secondary role.

Visual comparison

33. The opponent's mark and the applicant's marks all contain the word "Ethereum". It makes up the entirety of the opponent's mark and is the first element in both contested marks. The point of difference lies in the applicant's marks each containing one additional word that is not present in the opponent's mark. "Towers" and "Worlds" respectively. This results in the applicant's marks being noticeably longer than that of the opponent's. I keep in mind however, that generally, the beginnings of marks typically have more of an impact on consumers (than their endings) and, with that in mind, I find the opponent's mark to be similar to a medium degree compared to both of the contested marks.

Aural comparison

34. The opponent's mark will be pronounced in four syllables as E-THEE-REE-UM. The first contested mark will be longer and pronounced in six syllables as E-THEE-REE-UM TOW-ERS. The second contested mark will be pronounced in five syllables as E-THEE-REE-UM WORLDS. Aurally, the entirety of the opponent's mark is included in the first four syllables of the applicant's marks. Consequently, I consider the opponent's mark to be aurally similar to both contested marks to a medium degree.

Conceptual comparison

35. Conceptually, the opponent's mark will be perceived by consumers as an invented word with no attributable meaning.

36. In the case of the first contested mark, I find consumers will also perceive the word “Ethereum” as an invented word that has no attributable meaning. The word “Towers” will be perceived as the pluralised form of the standard English dictionary word for a tall, usually square or circular structure, sometimes part of a larger building and usually built for a specific purpose.[2] The two words hang together insofar as I consider that the word “Ethereum” would be perceived as denoting the name of the “Towers”. However, the words do not combine to form a unit with a different meaning than the two words taken separately. The combination of the words “Ethereum Towers” will most likely be understood as a group of towers called “Ethereum”.

37. Turning to the second contested mark, The term “Worlds” has several dictionary definitions and I find it most likely that in this context, consumers would perceive this word as the pluralised word for an area, sphere, or realm considered as a complete environment.[3] Again, the word “Ethereum” has no attributable meaning and I find that the words “Ethereum Worlds” hang together as the words will be understood as an area, sphere, or realm called “Ethereum”. I must make clear again though that the words do not combine to form a unit with a different meaning than the two words taken separately. Rather, I find that reach word retains its independent distinctive role.

38. Whilst I accept that the competing marks all contain the word “Ethereum”, this word has no attributable meaning and as such, no conceptual comparison can be made between these words. The applicant’s marks each contain an additional word not present in the opponent’s mark that have their own standard dictionary definitions. On that basis, I consider the opponent’s mark to be conceptually dissimilar to those of the applicant.

Distinctive character of the earlier mark

39. 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

[2] https://www.collinsdictionary.com/dictionary/english/tower
[3] https://www.collinsdictionary.com/dictionary/english/world

reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. 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).
>
> 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)."

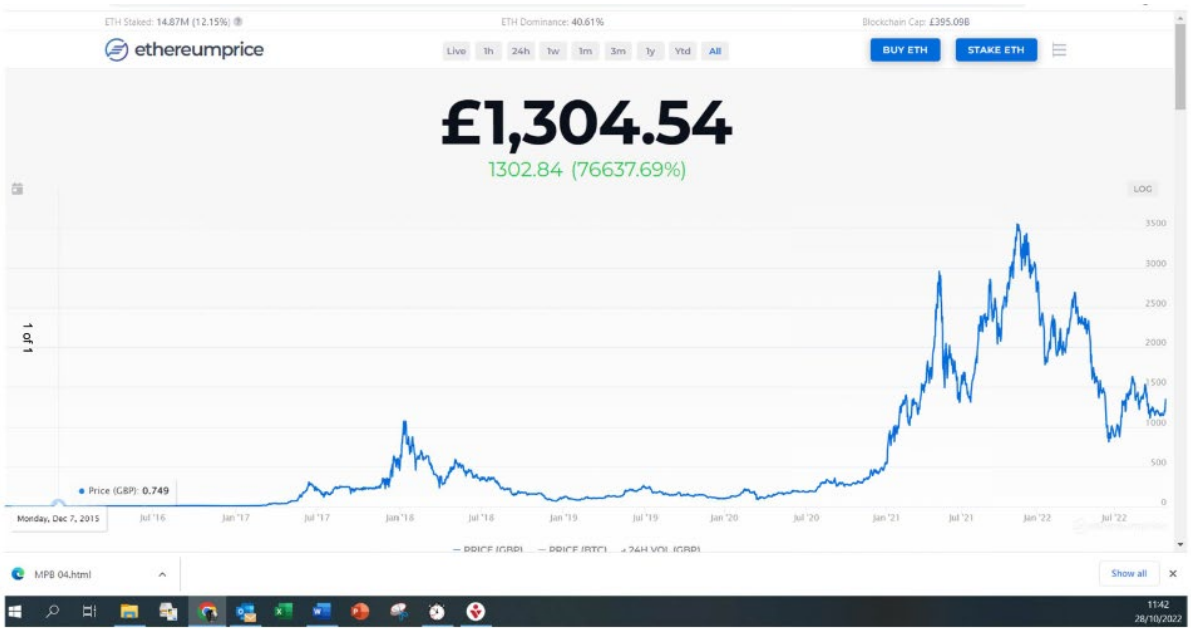
40. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness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

41. The opponent's mark "Ethereum" is a fanciful, coined term which has no dictionary definition in English and is not descriptive or allusive of the services for which it is registered. I therefore find that the opponent's mark is highly inherently distinctive.

42. The opponent also claims that their mark enjoys an enhanced degree of distinctive character acquired through use of all its services and has filed evidence in support of this. I will now consider whether this evidence demonstrates that the distinctiveness of the earlier mark has been enhanced through use.

43. I note from the Wikipedia article provided in exhibit MPB01 that Ethereum is described as a "decentralised open source blockchain with a smart contract functionality. Ether, is the native cryptocurrency of the platform." And it is claimed that the network went live on 20 July 2015.

44. There are no turnover figures provided, nor any figures provided pertaining to advertising and promotional activities. A graph has been provided in exhibit MPB04 detailing Ethereum's share prices for the years 2015 up to and including the first six months of 2022 which is reproduced in full below:



45. The graph clearly shows an upwards trend which Mr. Bhandal claims shows significant investment in relation to Ethereum cryptocurrency since 2017. I am conscious however that share prices do not necessarily reflect trading in the market.

46. Mr. Bhandal has also provided numerous news articles relating to Ethereum from the years 2017 to 2022. I remind myself that the relevant market for assessing enhanced distinctiveness is the UK market and as such, I will focus on the examples provided from UK news outlets. An illustrative but not exhaustive list of examples provided from national news outlets are as follows:

- An online GQ Magazine article dated 15 June 2017 which states, ""It's possible that a killer feature built on top of Ethereum could change the world to a similar degree at the internet or smartphones. This potential is precisely the reason why values have skyrocketed from $10 in January this year to $360 at the time of writing."[4]

- An article from The Independent Newspaper's website dated 2 January 2018 stating, "Ethereum is part of the exciting cryptocurrencies boom that has taken the world by storm during 2017…Ethereum has wasted no time in establishing itself as the second largest digital currency over the past couple of years… there are now thought to be millions of people setting up cryptocurrency wallets that hold this currency."[5]

- An advertisement on the University of York's website promoting a lecture being held by Gavin Wood, one of Ethereum's founders on 1 November 2019. The advertisement states "Ethereum is an open source blockchain distributed software system and platform which generates Ether, the third most popular cryptocurrency in the world, which is worth £14 billion and has more than 45 million users globally." I note that the lecture was open to university students, staff and members of the general public.[6]

[4] See exhibit MPB08
[5] See exhibit MPB10
[6] See exhibit MPB12

- An article from The Sun newspaper's webpage dated 8 December 2021 which states, "Ethereum is a cryptocurrency that was released in 2015 and is the second largest after Bitcoin…The price of Ethereum is up by almost 9% according to data recorded over the past 24 hours."[7]

- Two online articles from The Independent dated 9 November 2021 and 24 November 2021 respectively. The first article states, "Bitcoin and Ethereum soar to new all-time highs as crypto market surges". The second article comments on Ethereum's growth, stating, "The world's second most valuable cryptocurrency has risen in price by more than 500 per cent in 2021."[8]

47. Mr. Bhandal claims in his witness statement that he regards Ethereum as the second most famous cryptocurrency in the world. I further note that from the news article provided that Ethereum is consistently referred to as the second-largest cryptocurrency behind Bitcoin.

48. Several articles have been provided in exhibit MPB22 which detail the rise in popularity of cryptocurrencies in the UK. Most of these articles are dated after the relevant period however, I note the article from the "Triple A" website which details UK consumer engagement with cryptocurrencies in 2021. The article claims that in 2021 6.2% of the British public owned cryptocurrency. This amounts to approximately 4.2 million people. Bitcoin appears to be the most popular cryptocurrency among UK users with 62% possessing Bitcoin however, Ethereum is the second most popular choice with 36.67% possessing Ethereum. In terms of consumer awareness, I note the article states that 74% of UK adults have heard of cryptocurrencies in 2021 compared to 71% of adults in 2020 suggesting a growing awareness amongst UK consumers.

49. It is clear that the evidence indicates that the opponent holds a significant share of the market for the provision of its registered services. This all plays a part in enhancing the distinctive character and I am therefore satisfied that the opponent has demonstrated that the distinctiveness of its mark has been enhanced to a very high degree through use in relation to all the services for which it is registered.

[7] See exhibit MPB16
[8] See exhibit MPB16

Likelihood of confusion

50. 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. One such factor 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 mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier trade mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be mindful 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 they have retained in their mind.

51. 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.

52. Earlier in this decision I concluded that:

- The parties' respective services are identical;

- The average consumer will consist of both the general public and professionals who will pay a high degree of attentiveness during the selection process;

- The purchasing process will be predominantly visual in nature, though aural considerations will not be discounted;

- The earlier mark has a high degree of inherent distinctive character, this has been enhanced to a very high degree through the use made of it in relation to all its registered services;

- The earlier mark is visually and aurally similar to the contested marks to a medium degree;

- The earlier mark is conceptually dissimilar to the contested marks.

53. I first acknowledge that the competing marks share the word “Ethereum”. This word comprises the entirety of the earlier mark and is the beginning element of both the contested marks, a position which is generally considered to have more impact. Nevertheless, the contested marks each contain an additional word, i.e., “Towers” and “Worlds”. Neither of these words is replicated in the earlier mark. The presence of these words results in both contested marks being noticeably longer than the earlier mark, both visually and aurally. Though I considered the term “Ethereum” would play a greater role in the overall impression of both contested marks, I do not consider that the words “Towers” and “Worlds” would be overlooked by the average consumer. I therefore find that despite the distinctive character of the earlier mark, the difference created by the additional words in the contested marks is likely to be sufficient for the average consumer (who will pay a high degree of attention) to distinguish between the competing marks and avoid mistaking one for the other. As such, there will be no direct confusion in respect of both contested marks.

54. I now go on to consider indirect confusion. 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.)

55. These examples are not exhaustive but provide helpful focus.

56. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), 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."

57. 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.[9] The Court of Appeal has also emphasised that, where there is no direct confusion, there must be a "proper basis" for finding indirect confusion.[10]

58. I am conscious not to artificially dissect the competing marks and I acknowledge that the average consumer tends to perceive trade marks as wholes. However, I have found that overall impression of the earlier mark lies in the word "Ethereum" and I

[9] *Duebros Limited v Heirler Cenovis GmbH,* Case BL O/547/17
[10] *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207

found that this word possesses a high level of inherent distinctiveness that has been enhanced through the use made of it. This word is also wholly contained in the contested marks. Further, in respect of the contested marks, I have found that the word "Ethereum" plays a slightly more dominant role in the overall impression as opposed to "Towers" and "Worlds" and it also retains its independent distinctive role within the contested marks.

59. On that basis, it is my view that categories (a) and (b) as set out in *L.A Sugar* apply here. I have found the word "Ethereum" to be so distinctive that I consider the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. Moreover, I consider that the addition of "Towers" and "Worlds" respectively in the contested marks are less distinctive than "Ethereum" and these words will be perceived by consumers as the environment in which the services can be found.

60. Taking all of the above into account, as well as the parties' services being identical, I am satisfied that the average consumer would assume a commercial association between the parties due to the identical word "Ethereum". Consequently, I consider there to be a likelihood of indirect confusion in respect of both the contested marks.

CONCLUSION

61. The oppositions under section 5(2)(b) of the Act have been successful. Subject to any successful appeal against my decision, the applications will be refused.

COSTS

62. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs in proceedings commenced on or after 1 July 2016 and before 1 February 2023 are governed by Annex A of Tribunal Practice Notice ('TPN') 2 of 2016. Using that TPN as a guide, I award the opponent the sum of £1100 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Official fee (x2):	£200

Considering notice of opposition and preparing a counterstatement (x2):	£400
Preparing evidence:	£200
Filing submissions:	£300

63. I therefore order Ethereum Worlds Limited to pay the sum of £1100 to Stiftung Ethereum (Foundation Ethereum). 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 7th day of July 2023

Catrin Williams
For the Registrar