

O/0664/23

TRADE MARKS ACT 1994

**IN THE MATTER OF THE UK DESIGNATION OF INTERNATIONAL
REGISTRATION NO. 1574359
IN THE NAME OF FACECAST.PRO, LIMITED LIABILITY COMPANY
IN RESPECT OF THE TRADE MARK**

Videly

IN CLASSES 9, 41 AND 42

AND

**AN APPLICATION FOR A DECLARATION OF
INVALIDITY THEREOF
UNDER NO. 504260
BY MUSICAL.LY**

BACKGROUND AND PLEADINGS

1. The UK designation of the International Registration (“IR”) No. 1574359 for the mark “Videly”, stands protected in the United Kingdom in the name of Facecast.pro, Limited Liability Company (“the holder”). The IR is based on Russian Federation Trade Mark No. 779516, and the holder designated the UK for protection of the mark on 2 April 2021, with the mark being granted protection in the UK on 14 October 2021 in respect of goods and services in classes 9, 41 and 42, as listed in the table under paragraph 16 of this decision.

2. On 19 October 2021, MUSICAL.LY (“the cancellation applicant”) filed an application to have the UK protection of this IR declared invalid under the provisions of section 47(2) of the Trade Marks Act 1994 (“the Act”). The application for invalidation was filed in respect of all of the goods and services as protected and is based on section 5(2)(b) of the Act. The cancellation applicant relies upon the following comparable UK mark:

VIDEO.LY

UK Trade Mark (“UKTM”) No. 917000373

Filing date: 19 July 2017

Registration date: 27 December 2017

Registered in Classes 9 and 28

Relying on all goods, as listed in the table under paragraph 16.

3. 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 registered EUTM or International Trade Mark designating the EU. As a result, the cancellation applicant’s mark was converted into a comparable UK trade mark. Comparable UK marks are now recorded in the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and the original filing dates remain the same.¹

¹ See also Tribunal Practice Notice (“TPN”) 2/2020 End of Transition Period – impact on tribunal proceedings.

4. The cancellation applicant claims that the parties' marks are visually and phonetically very similar, and that the goods and services of the designation are in part identical to those of the earlier registration, and in other part similar to the goods for which the earlier mark is protected. As such, the cancellation applicant submits that it is inevitable that there will be confusion in the market place between the trade marks and goods of the respective parties.

5. The holder filed a counterstatement denying the claims and submits that the respective marks and the goods and services covered by them are dissimilar.

6. Both parties filed written submissions which will be referred to as and where appropriate during this decision. Neither party elected to file evidence² and neither party requested a hearing, therefore this decision is taken following careful consideration of the papers.

7. In these proceedings, the cancellation applicant is represented by Taylor Wessing LLP and the holder is represented by Foot Anstey LLP.

Statutory provision

8. The application to invalidate the holder's mark is based on section 5(2)(b), pursuant to section 47 of the Act. So far as is relevant, section 47 of the Act is as follows:

“ ...

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

² I note that in a letter dated 31 January 2023, the Tribunal informed the holder that its submissions filed on 19 December 2022 contained attachments which were considered to be evidential in nature. The Tribunal invited the holder to refile the evidence in the appropriate format, and/or to remove the attachments and any reference to them from the submissions. In its response of 7 February 2023, the holder filed amended submissions, removing the attachments at issue and references thereto, but elected not to resubmit the attachments as evidence.

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

(b) ...

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

...

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

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

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

(c) the use conditions are met.

...

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

...

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

Section 5(2)(b) –

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

“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”.

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

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

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

...”

11. The registration upon which the cancellation applicant relies qualifies as an earlier trade mark under the above provision.

12. As the earlier trade mark had not completed the registration procedure five years or more before the date on which the application for a declaration of invalidity was filed, it is not subject to the use conditions contained in section 47(2A) of the Act. The

cancellation applicant is, therefore, entitled to rely upon the earlier mark in relation to all of the goods for which the mark stands registered without having to prove that genuine use has been made of them.

DECISION

13. Although the UK has left the European Union, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. Therefore, this decision contains references to the trade mark case-law of the European courts.

14. In considering the application for invalidity under this section, I am guided by the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) ("OHIM")*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods and services

15. Section 60A of the Act provides:

“(1) For the purposes of this Act goods and services —

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification;

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the “Nice Classification” means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1979.”

16. The goods and services to be compared are:

Cancellation applicant’s goods	Holder’s goods and services
<p><u>Class 9</u> <i>Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-</i></p>	<p><u>Class 9</u> <i>Computer software, recorded; computer hardware; computer software applications, downloadable; computer programs, recorded; computer game software, downloadable; computer game software, recorded; computer programs, downloadable; electronic publications, downloadable.</i></p>

extinguishing apparatus; magnets; pocket calculators; magnetic data media; media for recording sound or images; video and sound recordings; cinematographic film and photographic transparencies; animated cartoons; computers; computer peripheral devices; computer software; downloadable applications; computer video games software; computer programs; computer games; magnetic, non-magnetic and optical data recording media; MP3 and MP4 players; audio tapes, audio cassettes, audio discs; audio-video tapes, audio-video cassettes, audio-video discs; video tapes, video cassettes, video discs; CDs, DVDs; downloadable electronic publications; glasses, spectacle glasses, sunglasses, protective glasses and cases therefor; protective clothing; protective helmets; bicycle helmets; cases for mobile phones; cases adapted for computers, photographic equipment, mobile phones, DVD players and CD players; cases for MP3 players; telephone and paging apparatus and instruments; reward cards; telephone cards; smart cards; CD-Roms, mini-discs, MP3's; laser discs; mouse pads; crash helmets; luminous door signs; calculators; phone cards; cameras; apparatus and instruments, all for recording, transmitting, processing or reproducing (or for any combination of these activities) of sound, data or images (or any combination thereof); automatic amusement apparatus;

<p><i>parts and fittings for all the aforesaid goods.</i></p>	
<p><u>Class 28</u> <i>Electronic games consoles; electronic, video and computer games apparatus; game and amusement apparatus, all adapted for use with television or video receivers or video display units.</i></p>	
	<p><u>Class 41</u> <i>Providing recreation facilities; arranging and conducting of colloquiums; arranging and conducting of congresses; arranging and conducting of conferences; arranging and conducting of workshops (training); arranging and conducting of seminars; arranging and conducting of symposiums; organization of competitions (education or entertainment); vocational guidance (education or training advice); providing online videos, not downloadable; providing information in the field of education; providing information relating to recreational activities; providing information in the field of entertainment; providing online music, not downloadable; providing television programs, not downloadable, via video-on-demand services; providing films, not downloadable, via video-on-demand services; providing user reviews for entertainment or cultural purposes; providing online electronic publications, not downloadable; online publication of electronic books and journals.</i></p>

	<p><u>Class 42</u></p> <p><i>Research in the field of telecommunications technology; web site design consultancy; computer security consultancy; information technology (IT) consultancy; computer technology consultancy; consultancy in the design and development of computer hardware; computer software consultancy; data security consultancy; updating of computer software; monitoring of computer systems to detect breakdowns; monitoring of computer systems for detecting unauthorized access or data breach; monitoring of computer systems by remote access; software as a service (SaaS); maintenance of computer software; providing information relating to computer technology and programming via a web site; providing search engines for the internet; computer system design; rental of computer software; hosting computer sites [web sites]; development of computer platforms; computer software design; software development in the framework of software publishing; server hosting; creating and designing website-based indexes of information for others (information technology services); computer programming; copying of computer programs; cloud computing; electronic data storage.</i></p>
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17. 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

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

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.⁴

19. Additionally, the factors for assessing similarity between goods and services identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 include an assessment of the users and the channels of trade of the respective goods or services.

20. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the 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 that the responsibility for those goods lies with the same undertaking”.⁵

³ Paragraph 29

⁴ Paragraph 23

⁵ Paragraph 82

21. For the purposes of considering the issue of similarity of goods and services, it is permissible to consider groups of terms collectively where appropriate. In *Separode Trade Mark*, BL O-399-10, Mr Geoffrey Hobbs QC (as he then was), sitting as the Appointed Person, said:

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”⁶

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

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise. ... Nevertheless the principle should not be taken too far. ... Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”⁷

23. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

⁶ Paragraph 5

⁷ Paragraph 12

24. In its written submissions, the cancellation applicant submits that the parties' specifications are couched in very broad terms, and that overall, there is identity in respect of the parties' goods in class 9 and a high degree of similarity for the remainder of the parties' goods and services.⁸ It has included a comparison table of the terms which it considers to be identical and very similar. I do not intend to fully reproduce the opponent's submissions here, however, I have taken them into consideration in making my own comparisons.

25. In its written submissions, the holder accepts that all of the terms under its Class 9 specification are identical to certain of the earlier registered goods, as highlighted in red in the table under paragraph 21 of the cancellation applicant's submissions dated 17 October 2022⁹. However, it does not accept that its services are similar to the cancellation applicant's goods. Given the admission of identity of its Class 9 goods, I will proceed to compare the holder's remaining services in classes 41 and 42 against the earlier goods, grouping them together where this is appropriate, as per *Separode*. While services are not the same as goods, I am mindful of the fact that goods and services may not automatically be found to be dissimilar simply because they fall in a different class.

Contested services in Class 41

Providing online electronic publications, not downloadable; online publication of electronic books and journals.

26. While the method of delivery of the earlier "*downloadable electronic publications*" in Class 9 is different to the holder's aforementioned online publication services, they are similar in nature to the extent that they both provide publications of one sort or another, and as such there will be an overlap in end users and possibly channels of trade. The respective goods and services may also be in competition, with the user electing either to access publications via the internet, or alternatively choosing to purchase equivalent downloadable publications as goods. Overall, I consider the

⁸ See paragraph 22-23 of written submissions dated 17 October 2022, and paragraphs 7-8 of the final submissions dated 11 April 2023.

⁹ See paragraph 12 of the holder's written submissions filed on 7 February 2023.

holder's "providing online electronic publications, not downloadable; online publication of electronic books and journals" to be highly similar to the cancellation applicant's "downloadable electronic publications".

Providing online videos, not downloadable; providing online music, not downloadable; providing television programs, not downloadable, via video-on-demand services; providing films, not downloadable, via video-on-demand services.

27. In my view, there is an overlap in nature between the cancellation applicant's "audio tapes, audio cassettes, audio discs; audio-video tapes, audio-video cassettes, audio-video discs; video tapes, video cassettes, video discs; CDs, DVDs" in Class 9 and the holder's "providing online videos, not downloadable; providing online music, not downloadable; providing television programs, not downloadable, via video-on-demand services; providing films, not downloadable, via video-on-demand services" in that both the goods and the services allow the user to watch videos (including films and television programmes which are often available in video or DVD format), and to listen to music and/or audio content, although the respective methods of use will differ, as will the channels of trade. There is an element of competition between the goods and services, as the user may choose to purchase the cancellation applicant's goods over the holder's non-downloadable counterparts, or vice versa. Consequently, I consider the competing goods and services to be similar to a medium degree.

Providing information relating to recreational activities; providing information in the field of entertainment.

28. I note that the cancellation applicant has likened the above services to the earlier goods in Class 28, but has not submitted how it considers them similar. I accept that providers of goods such as "electronic, video and computer games apparatus" are likely to also provide information relating to the use of the goods in question, which may be used for recreational or entertainment purposes, resulting in a degree of complementarity between the goods and services, with an overlap in users and channels of trade. However, taking guidance from *Avnet*, it is my view that the essential nature and purpose of the cancellation applicant's goods and the holder's

“providing information relating to recreational activities; providing information in the field of entertainment” are different. Overall, I find there to be a low to medium degree of similarity between them.

Organization of competitions (education or entertainment).

29. I acknowledge that the cancellation applicant’s goods in Class 28 such as *“video and computer games apparatus”* are likely to be used by some consumers when participating in gaming competitions, and those goods may be provided for the contestant’s use by the organiser of such competitions. In *Commercy AG v OHIM* Case T-316/07, the Board of Appeal (“BOA”) found that just because goods are used by an undertaking in order to provide its services, the respective goods and services are targeted at different consumers, and as such, there can be no complementary connection between them.¹⁰ As per *Commercy*, although the cancellation applicant’s *“video and computer games apparatus”* may support the provision of the holder’s *“organization of competitions (education or entertainment)”*, they are different in nature, method of use, intended purpose and channels of trade, and they are not in competition. While there may be an overlap in end users, overall, I consider the respective goods and services to be dissimilar.

Providing recreation facilities.

30. Taking account of the guidance regarding the correct approach to scrutinising services as per *Avnet*, I consider the core meaning of *“providing recreation facilities”* to be the provision of amenities such as leisure centres, swimming pools, gymnasiums and the like. I note that the cancellation applicant has indicated similarity between the aforementioned services and its own goods in Class 28, and although I accept that video and computer games and amusement apparatus may be provided for leisure purposes, I do not construe them to be covered by the substance of *“recreation facilities”*, with the goods and services at issue each being provided by distinct undertakings. Although there may be an overlap in end users of those goods and services, the nature, method of use, purpose and channels of trade are different,

¹⁰ At [49-62].

and I do not consider the goods and services at issue to be complementary in a trade mark sense. Consequently, I consider the holder's "*Providing recreation facilities*" to be dissimilar overall to the cancellation applicant's earlier goods. If I am wrong in this, then I find the competing goods and services to be similar to only a very low degree.

Arranging and conducting of colloquiums; arranging and conducting of congresses; arranging and conducting of conferences; arranging and conducting of workshops (training); arranging and conducting of seminars; arranging and conducting of symposiums.

31. While I accept that the subject matter of the above services may be in relation to the use of the cancellation applicant's goods, such as "*computers; computer peripheral devices; computer software*" in Class 9, or its various games apparatus in Class 28, I am mindful of the guidance regarding the correct approach to scrutinising services as per *Avnet*. Although there may be an overlap in end users, the essential nature, method of use and purpose of the goods and services at issue differ, the respective providers of which are likely to be specialists in their particular fields. They are neither in competition, nor complementary. Overall, I consider that any link between the goods and services is insufficient for a finding of similarity.

Providing user reviews for entertainment ... purposes.

32. I acknowledge that the cancellation applicant's goods, particularly its "*electronic, video and computer games apparatus*" in Class 28, are likely to be the subject of user reviews. To my mind, user reviews are independent of the provider of those goods being reviewed. While there may be an overlap in end users, the essential nature, method of use and purpose of the above services is different to that of the earlier goods. Neither do I consider them to be in competition, or complementary in a trade mark sense. I therefore find that any link between the goods and services is insufficient for a finding of similarity.

Vocational guidance (education or training advice); providing information in the field of education; providing user reviews for ... cultural purposes.

33. In *RALEIGH INTERNATIONAL Trade Mark* [2001] RPC 11, Mr Geoffrey Hobbs QC (as he then was), sitting as the Appointed Person, observed that when goods or services are not identical or self-evidently similar, the opposition should be supported by evidence as to their similarity.¹¹ As the cancellation applicant has provided no supporting evidence in relation to the similarity between the earlier goods and the holder's Class 41 services listed above, and as I see nothing within the opposing specifications which immediately strikes me as being self-evidently similar, I find the competing goods and services to be dissimilar.

Contested services in Class 42

Software as a service (SaaS); rental of computer software; cloud computing.

34. To my understanding, in broad terms, “*software as a service (SaaS)*” and “*cloud computing*” refer to the delivery and management of computing services, including software, over the internet. While I acknowledge that services are not the same as goods, nevertheless, there will be an overlap in end users of the holder's above services and the cancellation applicant's “*computer software*” in Class 9, which may be in competition, with the user electing to either rent the computer software or access it via the internet or “cloud”, or alternatively choosing to purchase equivalent software as goods, with an overlap in trade channels. However, the method of use and nature of the goods and services will be different. Consequently, I consider the holder's “*software as a service (SaaS); rental of computer software; cloud computing*” and the cancellation applicant's “*computer software*” to be similar to a medium degree.

Updating of computer software; maintenance of computer software.

35. I consider that there will be an overlap in users and trade channels of the cancellation applicant's “*computer software*” with the holder's “*updating of computer software; maintenance of computer software*”. While the goods and services are different in nature and method of use, they enjoy a symbiotic relationship, and I consider them to be complementary to the extent that the average consumer could

¹¹ Paragraph 20

reasonably expect the same or economically linked undertakings to provide both the goods and the subsequent updating and maintenance of those goods. I therefore consider the earlier “*computer software*” in Class 9 to be similar to the holder’s “*updating of computer software; maintenance of computer software*” in Class 42 to a medium degree.

Computer system design; development of computer platforms; computer software design; software development in the framework of software publishing.

36. I consider computer hardware and software to be the end result of its design and development, with the computer platform being the stage on which software is executed and computer programs can be run. As such there exists a degree of complementarity between goods and services, as without the design and development services there would be no end product in the form of the hardware or software. However, I do not consider the goods and services to be complementary in a trade mark sense, with any link between them insufficient for the end user of the goods to automatically believe that the services also derive from the same undertaking. In my view, while the holder’s services relate to hardware and software, the nature, purpose and method of use is different, with different users, although there may be an element of competition, with the consumer selecting either bespoke hardware or software from the designer, or choosing specific hardware or software already on the market. Overall, I consider any overlap between the cancellation applicant’s “*computers; computer peripheral devices; computer software*” in Class 9 and the holder’s “*computer system design; development of computer platforms; computer software design; software development in the framework of software publishing*” to be on a superficial level and accordingly, I find them to be similar to a low degree.

Consultancy in the design and development of computer hardware; computer software consultancy.

37. The cancellation applicant’s “*computers; computer peripheral devices; computer software*” in Class 9 are clearly different in nature to the holder’s “*consultancy in the design and development of computer hardware; computer software consultancy*”. In

my view, provision of a consultancy service is likely to be linked to the aforementioned design and development stages, and as an after-sales service to those soliciting customised design of hardware and/or software. The method of use, purpose and trade channels differ. I do not consider that there is a clear complementary relationship with the provision of the goods themselves, as outlined in *Boston Scientific*. Overall, I find the goods and services at issue to be similar to a low degree.

Information technology (IT) consultancy; computer technology consultancy; providing information relating to computer technology and programming via a web site.

38. I construe the role of an IT consultancy as advising clients on how to use computer technology to maximise their business potential, and may include recommendations for the most appropriate hardware and software available within a given budget. There is likely to be an overlap between users of the services and the cancellation applicant's "*computers; computer peripheral devices; computer software*" in Class 9, and providers of bespoke software are likely to also provide a consultancy service, although the goods and services are clearly different in nature, purpose and method of use. Overall, I consider the holder's "*information technology (IT) consultancy; computer technology consultancy; providing information relating to computer technology and programming via a web site*" and the earlier "*computers; computer peripheral devices; computer software*" to be similar to a low degree.

Computer security consultancy; data security consultancy; monitoring of computer systems for detecting unauthorized access or data breach.

39. Although I acknowledge that the cancellation applicant's "*computer software*" in Class 9 could include software specifically for security purposes, the fundamental nature and method of use of the goods is different to that of the services, although there may be an overlap in users. I consider the holder's above security related services are likely to be provided by specialists in their field as a stand-alone service. I do not consider that the average consumer would expect provision of the respective goods and services to lie with the same provider. I conclude that if they share any similarity, it is only to a low degree.

Monitoring of computer systems to detect breakdowns; monitoring of computer systems by remote access.

40. Once again, I consider the holder's above listed services to be independent services which are unlikely to originate from the same provider as the cancellation applicant's "computers" in Class 9. While there may be an overlap in users, the goods and services are different in nature, purpose and method of use; the goods and services are neither complementary, as per *Boston Scientific*, nor in competition. Overall, I consider them dissimilar.

Computer programming; copying of computer programs.

41. While there is likely to be an overlap in end users, I consider this to be insufficient on its own to support a finding of similarity between software itself and computer programming or copying services. I also find that the methods and purpose of use, as well as the channels of trade will be different, and I do not consider them to be complementary in a trade mark sense. I consider the holder's "computer programming; copying of computer programs" to be dissimilar to the cancellation applicant's "computer software" in Class 9.

Research in the field of telecommunications technology.

42. While I am mindful of the guidance outlined in *YouView* regarding the interpretation of goods, I note the cancellation applicant's broad term "apparatus for recording, transmission or reproduction of sound or images" in Class 9, which could include telecommunications apparatus. While manufacturers of such goods are likely to have an in-house Research and Development department, this would involve conducting research for their own purposes rather than being a service offered to third parties. Therefore, I do not consider the holder's "Research in the field of telecommunications technology" services to be targeted at the same consumer as the cancellation applicant's goods, with the goods and services being different in nature, purpose and channels of trade. Neither do I consider the goods and services at issue to be complementary in a trade mark sense to the extent that the consumer would automatically assume that the goods and services originate from the same

undertaking. As per *RALEIGH*, in the absence of evidence to the contrary, I find the goods and services at issue to be dissimilar.

Web site design consultancy; providing search engines for the internet; hosting computer sites [web sites]; server hosting; creating and designing website-based indexes of information for others (information technology services); electronic data storage.

43. Aside from the cancellation applicant's submissions that the above services are similar to certain of the earlier Class 9 goods, no evidence as to the degree of similarity between the goods and services has been provided. Observing the guidance given in *Avnet* which says that specifications for services should not be given a wide construction, without evidence to the contrary, I find nothing obviously similar between the cancellation applicant's earlier goods and the holder's "*web site design consultancy; providing search engines for the internet; hosting computer sites [web sites]; server hosting; creating and designing website-based indexes of information for others (information technology services); electronic data storage*". As per *RALEIGH*, I therefore consider the goods and services at issue to be dissimilar.

44. A degree of similarity between the goods and services is essential for there to be a finding of likelihood of confusion: see paragraph 49 of *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA.

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

The average consumer and the nature of the purchasing act

46. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. (as he was then) described the average consumer in these terms:

“The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.¹²

47. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

48. In its written submissions, the cancellation applicant submits that the majority of the goods and services at issue are a mix of low-mid cost, self-service items, the average consumer of which consists of members of the public who will pay a low to medium level attention when making purchases. The holder submits that the average consumer is likely to be both professional and end consumers, with the purchasing act likely to be reasonably considered with the consumer displaying at least a medium level of attention.

49. In my view, the average consumer for the competing goods and services will most likely be both the general public and professionals, including businesses seeking hardware, software and computing solutions in order to run their businesses. Although I have found a low level of similarity between the holder's services and the cancellation applicant's various gaming apparatus, given that the majority of the competing goods and services have not been limited to any particular field, they are likely to be sold through a range of channels including from bricks and mortar premises, through tele-sales, or via the internet, although I acknowledge that they may also be procured through specialist providers.

50. The selection of goods such as videos, DVDs and publications, and the non-downloadable, online equivalents is likely to be primarily visual, although I do not

¹² Paragraph 60.

discount aural considerations such as word of mouth recommendations, with the average consumer paying a medium degree of attention to the purchase.

51. However, in the case of goods such as computer hardware and software and the overlapping associated services, considerations such as technical reviews, price, quality, ease of use, suitability of the product and the reputation of the provider would be taken into account before purchasing the goods or accessing the services. The selection process would be predominantly visual, although I do not discount aural considerations, for example, where the consumer would receive verbal advice and recommendations from sales representatives.

52. I consider that for these goods, the average consumer will want to ensure that the hardware and software procured is appropriate to specific user needs. Meanwhile, the cost of the services will vary according to the exact nature, specification and the level of service selected, however, the initial outlay could be substantial. In my view, the business customer will pay a higher than average degree of attention to the selection of the goods and services, while the general public is likely pay at least a medium degree of attention to the purchasing process.

Comparison of marks

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

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

impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”¹³

54. 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.

55. The respective trade marks are shown below:

Cancellation applicant's trade mark	Holder's trade mark
VIDEO.LY	Videly

56. The cancellation applicant submits that its mark consists of an invented term comprising a single word which shares the same first four and last two letters with the holder's mark, those letters appearing in the same order in each. It submits that the marks are visually similar to a very high degree and aurally similar to a high degree, with the competing marks being conceptually neutral. I note that the cancellation applicant has provided examples of registered trade marks held to be visually and aurally similar, however, the circumstances in the case before me are somewhat different, and I will make my decision based on the individual merits of the marks at issue in these proceedings.

57. The holder submits that the marks are visually dissimilar, notwithstanding that some of the letters are similar; are aurally dissimilar; and that conceptually, while the cancellation applicant's mark consists of the everyday, recognisable word "VIDEO", together with "LY", the contested mark is an invented term.

¹³ Paragraph 34

Overall impression

58. The cancellation applicant's mark consists of the word "VIDEO" which is separated from the subsequent letters "LY" by a full stop, "VIDEO.LY", which is presented in a standard black typeface in capital letters, without any other elements to contribute to the overall impression. The overall impression conveyed by the mark therefore rests in the punctuated word and two letter combination, as presented.

59. The holder's mark consists of the single word "Videly", presented in a standard black typeface in title case. As the mark contains no other elements, the overall impression therefore rests in the word itself.

Visual comparison

60. The holder's mark consists of six letters presented in title case, while the cancellation applicant's mark comprises eight characters, being seven letters and a punctuation mark, presented in upper case, although the registration of a word mark gives protection irrespective of capitalisation: see *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17. The first four and the last two letters of the earlier mark are identical to those contained within the holder's mark, however, the additional letter "O" and the full stop between the two sets of letters in common renders the earlier mark visually distinct from that of the holder. 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, although I accept that this is not always the case. Even considering that the contested mark is wholly contained within the earlier mark, disruption of the word "Videly" by way of the additional letter "O" and the full stop in the cancellation applicant's mark creates a notable visual difference. Overall, I consider the marks to be visually similar to no more than a medium degree.

Aural comparison

61. The cancellation applicant's mark would be articulated as four syllables, VID-EE-OH-LEE, with the full stop between the third and fourth syllables unvoiced. The holder's mark would be voiced as two syllables, VIED-LEE (rhyming with the common

English adverb “widely”), meaning aural commonality between the last syllable only of the competing marks. Overall, I consider the marks to be aurally similar to a low degree.

Conceptual comparison

62. With regard to conceptual comparison, in *Luciano Sandrone v European Union Intellectual Property Office (EUIPO)*, Case T-268/18, the GC held:

“... In that regard, it must be borne in mind that the purpose of the conceptual comparison is to compare the ‘concepts’ that the signs at issue convey. The term ‘concept’ means, according to the definition given, for example, by the Larousse dictionary, a ‘general and abstract idea used to denote a specific or abstract thought which enables a person to associate with that thought the various perceptions which that person has of it and to organise knowledge about it.’¹⁴

63. I can find no reference to the word “Videly” in a standard English dictionary, and as such, I consider that a significant proportion of consumers will perceive the holder’s mark to be an invented, conceptually neutral word, although I accept that even where a mark is considered to be an invented word, this does not exclude the possibility that it is endowed with an allusive meaning.¹⁵

64. While the earlier mark as a whole may be seen by some consumers as an invented word, in my view, the element “VIDEO” would be easily recognised as a common, dictionary defined word, which is reinforced by the punctuation separating that word from the “LY” ending. The concept of the mark therefore rests in the identifiable component, creating a disparity between the marks, the contested mark possessing no such semantic content. As such, the marks are conceptually dissimilar.

¹⁴ Paragraph 8.

¹⁵ By way of example, see *Usinor v OHIM - Corus UK (GALVALLOY)*, Case T-189/05, paragraphs 63-68.

Distinctive character of the earlier mark

65. 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.

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

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

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

67. Registered trade marks possess varying degrees of inherent distinctive character, being lower where they are allusive or suggestive of a characteristic of the goods and services, ranging up to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be

enhanced by virtue of the use made of it. As the cancellation applicant has filed no evidence regarding use of the earlier trade mark, I have only the inherent characteristics of its trade mark to consider.

68. The cancellation applicant submits that the earlier mark consists of an invented term, prominently featuring a punctuation mark, but nevertheless comprising a single word, which it contends is grammatically unusual in the English language. It submits that the mark has at least a medium to high level of inherent distinctive character.

69. The holder submits that the word "VIDEO" is the dominant part of the earlier mark, which has a clear meaning in relation to the goods such as, inter alia, computer video games, video and sound recordings. It further submits that the suffix "LY" merely turns the word into an adverb, which still conveys the same idea, and that there is nothing grammatically unusual by adding LY to the end of a word like VIDEO.

70. I agree with the holder that the "VIDEO" element of the earlier mark cannot be ignored and when taken *solus*, it is directly descriptive of the cancellation applicant's goods such as video tapes, cassettes and discs. However, given that the word "VIDEO" is a noun rather than an adjective, I cannot agree that there is nothing grammatically unusual by adding LY to the end of it, and even reading the mark without the punctuation between the two word/letter elements as "VIDEOLY", the mark as a whole is not grammatically correct, while the position of the full stop adds a further degree of distinctiveness to the overall impression. Taken in its entirety, I find the earlier mark to be allusive of goods which involve some form of video component or function, and as such I consider it to be inherently distinctive to no more than a medium degree.

Likelihood of confusion

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

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

73. There are two types of possible confusion: direct, where the average consumer mistakes one mark for the other, or indirect, where the average consumer recognises that the marks are different, but assumes that the goods and/or services are the responsibility of the same or connected undertakings. The distinction between these was explained by Mr Iain Purvis Q.C. (as he then was), sitting as the Appointed Person, in *L.A. Sugar Limited v Back Beat Inc*, Case BL-O/375/10. He said:

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

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

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

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

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

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

75. Earlier in this decision, I found that:

- As admitted by the holder, the contested goods in Class 9 are identical;
- For the contested services for which I found any level of similarity, this ranged between a very low degree to highly similar;
- I considered that the average consumer of the goods and services would be both the general public and professional consumers such as businesses;
- The level of attention of both groups will be medium when selecting goods such as videos, DVDs and publications; for computer hardware and software and the overlapping associated services, the general public is likely pay at least a medium degree of attention, while the professional consumer is likely to pay a higher than average degree of attention to the selection process;

- Both groups will select the goods and services at issue by predominantly visual means, although I do not discount aural considerations;
- The competing trade marks are visually similar to no more than a medium degree, are aurally similar to a low degree, and are conceptually dissimilar;
- I considered it likely that the “VIDEO” element within the earlier mark would be perceived as allusive of goods which involve some form of video component or function, with the mark as a whole being inherently distinctive to no more than a medium degree.

76. While allowing that the average consumer is unlikely to see the marks side-by-side and will therefore be reliant on the imperfect picture of them they have kept in their mind, I consider it unlikely that they would mistake one mark for the other. Given that I found there to be no more than a medium degree of visual similarity between the marks, dropping to a low degree for aural similarity, and that I found the earlier mark to be inherently distinctive to no more than a medium degree, which I have balanced against the lowest degree of attention found to be paid during the selection process, it is my view that the average consumer, being reasonably well informed and reasonably circumspect, will notice and recall the differences between the marks. Overall, I do not consider there to be a likelihood of direct confusion on the part of the public.

77. Taking into account the previously outlined guidance of Mr Iain Purvis Q.C. (as he then was) in *L.A. Sugar*, I will now consider whether there might be a likelihood of indirect confusion.

78. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

79. I acknowledge that the categories listed by Mr Iain Purvis Q.C. (as he then was) are not exhaustive, however, having made a multi-factorial assessment of the various

considerations in play, while for some consumers sight of one mark may bring to mind the other mark, I do not see anything which would lead the average consumer into believing that one mark is a variant brand of the other, or assume that there is an economic connection between the undertakings. I therefore find no likelihood of indirect confusion.

80. The application for invalidation fails.

CONCLUSION

81. The application for a declaration of invalidity has failed. Subject to any successful appeal, the grant of protection in the UK under IR No.1574359 will remain on the register in respect of all the goods and services in its specification.

COSTS

82. The holder has been successful, and is therefore entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice (“TPN”) 2/2016. Applying the guidance in that TPN, I award the holder the sum of £500, which is calculated as follows:

Considering the application for invalidation and preparing a counterstatement:	£200
Preparing written submissions:	£300
Total:	£500

83. I therefore order MUSICAL.LY to pay Facecast.pro, Limited Liability Company the sum of £500. 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 17th day of July 2023

**Suzanne Hitchings
For the Registrar,
the Comptroller-General**