O/0775/23

TRADE MARKS ACT 1994

IN THE MATTER OF THE APPLICATION
BY PACKSIZE LLC
TO DESIGNATE IR NO. 1578031

PACKTRACK

FOR PROTECTION IN THE UNITED KINGDOM
IN CLASSES 7, 9 & 37

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 427536 BY
FOURTH WALL CREATIVE LIMITED

BACKGROUND AND PLEADINGS

1. On 4 August 2020, Packsize LLC ("the holder") designated the International Registration ("IR") shown on the cover of this decision for protection in the United Kingdom in respect of goods and services in Classes 7, 9 and 37. Amendments were made to the specification, and the goods and services for which protection is now sought are as follows:

Class 7

Packaging machines and parts thereof; packaging machines used in order fulfillment; assembly line conveyor machinery used in order fulfillment; machines and machine tools for the cutting and forming of materials used at shop work stations; packaging machines for use in packing lines; packaging machines for use in packing areas and packing stations; cutting machines for packaging; industrial packaging folding machines.

Class 9

Downloadable and recorded packaging operating system software for use in managing work stations and packaging assistance machines; downloadable and recorded packaging operating system software for use in work stations in the field of packaging; downloadable and recorded custom software for packaging process flow; downloadable and recorded custom software for flow of custom boxes and packaging; downloadable and recorded software for engaging and coordinating warehousing, storage, logistics, delivery, and distribution services for packaging process flow; downloadable and recorded computer software for inventory management; downloadable and recorded computer software for order fulfillment; downloadable and recorded computer software for engaging, managing, and coordinating packaging process flow. None of the aforementioned goods being for use with tracking goods during shipment.

Class 37

Installation and maintenance of packing or wrapping machines and apparatus used in order fulfillment; installation and maintenance of hardware for others to operate and manage packing lines; installation and maintenance of hardware for

others to operate and manage packing stations; installation and maintenance of packing or custom packaging machines and apparatus.

2. The IR has an international registration date of 4 August 2020 and a priority date of 4 February 2020. Priority is claimed from US Trademark No. 88785258.

3. On 15 October 2021, the application was opposed by Fourth Wall Creative Limited ("the opponent"). The opposition is based on section 5(2)(b) of the Trade Marks Act 1994 ("the Act") and concerns all the goods and services in the application. The opponent also opposed the designation under sections 5(3) and 5(4)(a), but as no evidence was filed these grounds were deemed to be withdrawn.

4. Under section 5(2)(b) the opponent is relying on UK Trade Mark No. 3295101, which has a filing date of 7 March 2018 and was registered on 8 June 2018 for goods and services in Classes 9 and 42:

5. The above mark qualifies as an earlier mark under the provisions of section 6(1) of the Act by virtue of its earlier filing date. As it completed its registration process within the five-year period ending with the priority date of the opposed IR, the opponent is not required to have used the mark and so may rely on all the goods and services for which it is registered. In this opposition, the opponent is relying on the following goods:

Class 9

Computer software; Cloud computing software; Computer software for interactive membership support dealing with designating and customising of tickets, cards and other fan-based products, order-dispatch process, internal order processing, printing, deliveries, returns, stock management, queries and full reporting, customers relations management and communications.

6. The opponent claims that the marks are similar and contain identical textual elements and that the holder's goods and services are either identical or similar to its Class 9 goods, and that therefore there exists a likelihood of confusion on the part of the public in the UK.

7. The holder filed a defence and counterstatement denying the claims made. In particular, it claims that the marks are not similar and that, while the opponent's mark is made up of the word "Pack" and "Track" with an envelope device, its mark consists of an invented word with *"no clear conceptual meaning"*. It also denies that the goods and services are identical or similar.

8. Neither party filed evidence or submissions. I have taken this decision following a careful consideration of the statement of grounds and the counterstatement.

9. In these proceedings, the opponent is represented by Shipley IP Ltd and the holder by Hepworth Browne.

DECISION

10. Section 5(2) 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."

11. In considering this opposition, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union ("CJEU") 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 BV* (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):[1]

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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;

[1] 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 Trade Marks 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, although the UK has left the EU.

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 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; and

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.

12. It is settled case law that I must make my comparison of the goods and services on the basis of all relevant factors. These include the nature of the goods and services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Goods and services are complementary when

"… 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."[2]

13. The goods and services to be compared are shown in the table below:

Contested goods and services	Earlier goods
Class 7 *Packaging machines and parts thereof; packaging machines used in order fulfillment; assembly line conveyor machinery used in order fulfillment; machines and machine tools for the cutting and forming of materials used at shop work stations; packaging machines for use in packing lines; packaging machines for use in packing areas and packing stations; cutting machines for packaging; industrial packaging folding machines.*	
Class 9 *Downloadable and recorded packaging operating system software for use in managing work stations and packaging assistance machines; downloadable and recorded packaging operating system software for use in work stations in the field of packaging; downloadable and recorded custom software for packaging process flow; downloadable and recorded custom software for flow of custom boxes and packaging; downloadable and recorded software for engaging and coordinating warehousing, storage, logistics, delivery, and distribution services for packaging process flow;*	*Class 9* *Computer software; Cloud computing software; Computer software for interactive membership support dealing with designating and customising of tickets, cards and other fan-based products, order-dispatch process, internal order processing, printing, deliveries, returns, stock management, queries and full reporting, customers relations management and communications*.

[2] *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

Contested goods and services	Earlier goods
downloadable and recorded computer software for inventory management; downloadable and recorded computer software for order fulfillment; downloadable and recorded computer software for engaging, managing, and coordinating packaging process flow. None of the aforementioned goods being for use with tracking goods during shipment.	
Class 37 *Installation and maintenance of packing or wrapping machines and apparatus used in order fulfillment; installation and maintenance of hardware for others to operate and manage packing lines; installation and maintenance of hardware for others to operate and manage packing stations; installation and maintenance or packing or custom packaging machines and apparatus.*	

13. I shall deal first with the holder's Class 9 goods which are all types of software. The holder submits that the opponent's goods relate to computer software for interactive membership support dealing with designing and customising of tickets, cards and other fan-based products, order-dispatch process, internal order processing, printing, deliveries, returns, stock management, queries and full reporting, customer relations management and communication. However, the opponent's specification also includes the broader category of *Computer software*, which would encompass all the holder's Class 9 goods. Where goods (or services) of one party are included in a broader category of goods (or services) of the other, they are considered to be identical: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29. Consequently, I find that the holder's Class 9 goods are identical to the opponent's *Computer software*. The limitation made by the holder does not affect this finding, as the opponent's goods are not limited.

14. The holder's Class 7 goods are forms of machinery, the majority of which are used for packing goods, and parts for such machines. Neither party has provided any submissions that assist me in construing the meaning of *Machines and machine tools for the cutting and forming of materials used at shop work stations*. I understand this term to refer to machines and machine tools with a wider application than packing and that could be used for a range of different materials. The opponent submits in its statement of grounds that these goods are complementary to its software goods in Class 9, having identical or similar end-users and being dependent on each other, with the machines often requiring software in order to function. The holder's goods are all forms of industrial machinery and it is likely, in the present day, that software would be required for their operation or to control the processes within a factory or distribution centre. The users of the Class 7 goods would be the users of the software developed to operate the machinery and manage the packing processes. The nature of the goods is different, but they may be distributed through the same trade channels. They are not in competition. As I have found that the software plays an integral part in the functioning of the machinery, and these are specialist pieces of equipment, I consider it likely that the average consumer would expect the Class 7 goods and the software to come from the same undertaking and so they would be complementary. Overall, I find a low degree of similarity between the goods.

15. The holder's Class 37 services are installation and maintenance services relating to goods covered by its Class 7 specification. The opponent submits that these services are complementary to the goods it is relying on, as the machines which are the subject of the installation and maintenance services may include software. Again, I accept that there is an overlap in user. The purpose of the holder's services is to set up the machines and maintain them, while the purpose of the *Computer software* is to enable the user to operate them. The goods and services are different in nature. The average consumer would expect the same undertaking to provide the software and the installation and maintenance services, given the specialist nature of the machinery. Taking these factors into account, I find that there is a low degree of similarity between the holder's Class 37 services and the opponent's *Computer software*.

Average consumer and the purchasing process

16. The average consumer is a legal construct deemed to be reasonably well informed and reasonably circumspect: see *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), paragraph 60. For the purposes 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 and services in question: see *Lloyd Schuhfabrik*, paragraph 26.

17. The goods and services at issue would be purchased by a business supplying goods to end-consumers. I accept that the applicant's *Computer software* would also be bought by members of the general public, but I shall focus on those customers who would be exposed to both parties' goods and services, as they are the ones who are most likely to be confused. The goods are likely to be purchased relatively infrequently and to be reasonably expensive. Consequently, the average consumer is likely to pay a relatively high degree of attention when making a purchase. They would be expected to consult promotional material, either in print form or on the internet, and order from specialist suppliers. As orders may be made by telephone and word-of-mouth recommendations may also be given, both visual and aural aspects of the mark will be relevant.

Comparison of marks

18. It is clear from *SABEL* (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* that:

> "… it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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."[3]

19. It would be wrong, therefore, artificially to dissect the marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

20. The respective marks are shown below:

Earlier mark	Contested IR
	PACKTRACK

21. The earlier mark is a composite mark containing both verbal and figurative elements. The verbal element is the word "PackTrack", which has been created by juxtaposing two commonly used words. The letter T is capitalised, reinforcing the perception of the mark as two words joined together. At the end of the word, in superscript, can be seen the letters "TM", but these will have no distinctive meaning and are likely to be ignored. The word is presented in a typeface that is unremarkable, save for the letter "k", where there is a gap between the stem and the remainder of the letter. Above the word is a device that, I consider, will be seen by the average consumer as an envelope. The outer rectangle is broken in four places. The holder submits that this device is made up of four arrows, pointing north-west, north-east, south-west and south-east respectively. The words and the device are shown in black on a lime green rectangle with rounded corners. Words are generally regarded as being more distinctive than figurative elements: see *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, paragraph 37. It is my view that the word

[3] Paragraph 34.

"PackTrack" will make the largest contribution to the overall impression of the mark, and have independent distinctive character. The device makes a small contribution, with lesser roles played by the colour. The stylisation of the typeface is so slight that, in my view, it would go unnoticed by the average consumer.

22. The contested IR consists of the word "PACKTRACK" in plain black capital letters. Plain word marks protect the word or words contained in the mark in whatever form, colour or typeface: see *LA Superquimica v European Union Intellectual Property Office*, Case T-24/17, paragraph 39. The holder submits that the word will be seen as an invented word with no meaning. However, I recall that in *Usinor SA v OHIM*, Case T-189/05, the General Court held that the average consumer will break down marks into verbal elements which suggest a concrete meaning or resemble words known to them.[4] I consider that this is what the average consumer will do here. The overall impression of the IR lies in the word "PACKTRACK", which will be identified as the juxtaposition of "PACK" and "TRACK".

23. Both marks contain the word "PACKTRACK". I note the presentation of the word in the earlier mark, with the first and fifth letter capitalised, but consider that this capitalisation would constitute fair use of the contested IR. The figurative and colour elements in the earlier mark are points of difference. Overall, it is my view that the marks are visually similar to a medium degree.

24. The holder submits that the marks are aurally dissimilar on the basis that most English speakers would run the sounds together and not pronounce the first "K". According to this reasoning, the contested IR would be articulated as "PA-TRAK", while the earlier mark would be articulated as two separate words: "PAK-TRAK". I have already found that the average consumer would identify the words "PACK" and "TRACK" in the contested IR and I therefore see no reason why they would articulate one mark differently from the other. I also consider that the average consumer would not add "TEE-EM" to the end of the earlier mark, as this abbreviation merely informs the public that the word is being used as a mark of origin. I find that the marks are aurally identical.

[4] Paragraph 62.

25. The opponent submits that the marks are conceptually identical as each would be perceived as referring to products and services to be used in the "tracking" of goods through manufacturing, packaging, distribution and delivery. The holder submits that the envelope device creates a conceptual difference between the two marks. I agree with the opponent on the conceptual content of the word "PACKTRACK". The envelope reinforces the message of distribution and delivery of letters and packages and so I consider that the marks are conceptually identical. In the event that I am wrong in this, they are conceptually highly similar.

Distinctive character of the earlier mark

26. 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 Alternberger* [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)."

27. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. As the opponent has filed no evidence to show use of the earlier mark, I have only the inherent position to consider.

28. The words “PACK” and “TRACK” are commonly used English words and allude to the tracking of packages and parcels. However, the combined word “PACKTRACK” is not present in standard English and so this juxtaposition increases the distinctiveness of this element of the earlier mark, which, it will be recalled, I found to possess independent distinctive character. The device is allusive, although I note that the construction of the envelope from arrows also slightly increases its distinctiveness. Overall, I find that the earlier mark has a medium level of inherent distinctive character.

Conclusions on likelihood of confusion

29. There is no arithmetical formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. I must also take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or services or vice versa. I keep 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 they have in their mind.

30. There are two types of confusion: direct and indirect. In *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

> “16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually

recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.'

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)."

31. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

"This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition."[5]

32. He also said:

"As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/291/16) at [16] 'a finding of likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."[6]

33. Earlier in my decision, I found that:

- the holder's Class 9 goods were identical to the opponent's earlier goods;
- the remaining contested goods and services were similar to the opponent's earlier goods to a low degree;
- the average consumer would be a business, paying a relatively high degree of attention during the purchasing process, which would be both visual and aural;
- the marks were visually similar to a medium degree and aurally and conceptually identical; and
- the earlier mark had a medium degree of inherent distinctive character.

34. The average consumer recollects the marks imperfectly, even if they are paying a high level of attention. I found that the greatest contribution to the overall impression of the earlier mark was made by the word "PackTrack", and that this is the only element of the contested IR. In my view, the average consumer is unlikely to remember

[5] Paragraph 12.
[6] Paragraph 13.

accurately the precise capitalisation of the word or the colour or the envelope device. This is because the figurative elements play a lesser role in the overall impression of the mark. I have noted the holder's submissions that the colour would provide an association for the majority of consumers. However, this is a point on which I would have expected to have been provided with evidence. As I have none before me, I dismiss this argument. Even where the goods and services are similar to only a low degree, given the imperfect recollection of the average consumer, I find that there is a likelihood of direct confusion between the marks.

35. In case I am wrong in finding direct confusion, I shall also consider whether there is indirect confusion. In doing so, I bear in mind the comments of the Appointed Person in *Cheeky Italian* that indirect confusion is not a *"consolation prize"*. I found that "PackTrack" played an independent distinctive role in the earlier mark. In the event that the average consumer recognises that the marks are not the same, they are likely, in my view and given the identity of the words, to assume that both marks belong to the same undertaking, with the earlier mark being a figurative mark and the contested IR being a word mark. I find that there is a likelihood of indirect confusion.

OUTCOME

36. The opposition has been successful, and IR No. 1578031 is refused protection in the UK.

COSTS

37. The opponent has been successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice No. 2/2016. Although the opponent originally opposed the mark under sections 5(2)(b), 5(3) and 5(4)(a), I have calculated the award on the basis of the section 5(2)(b) opposition only. The award is calculated as follows:

Preparing a statement and considering the other side's statement: £200
Official fees: £100
TOTAL: £300

38. I therefore order Packsize LLC to pay Fourth Wall Creative Limited the sum of £300. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 14th day of August 2023

Clare Boucher,
For the Registrar,
Comptroller-General