O/0781/23

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3772889
BY CONFIGO SOFTWARE LTD

TO REGISTER:

CONFIGO

AS A TRADE MARK IN CLASSES 9 & 42

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 434939 BY
RESOLTO INFORMATIK GMBH

BACKGROUND AND PLEADINGS

1. On 1 April 2022, Configo Software Ltd ("the applicant") applied to register **CONFIGO** as a trade mark in the United Kingdom in respect of the following goods and services:

> *Class 9*
> *Software; Project management software; Workflow management system software; Data management software; Computer software for application and database integration; Configuration software; Computer software for database management; Data and file management and database software; Integrated software packages; Software development tools; Artificial intelligence and machine learning software; Revision control platforms [software]; Computer software for instrument tuning; All of the aforesaid being for software configuration and none of the aforesaid goods being for use in relation to pharmaceuticals, health technology, medical or surgical products, medical or scientific research or healthcare products.*
>
> *Class 42*
> *Software as a service [SaaS]; Software development, programming and implementation; Configuration of computer software; Configuration of computer systems and networks; Computer software integration; Software design; Software development; Software installation; Maintenance of software; Rental of software; Leasing of computer software; Writing of computer software; Testing of computer software; Maintenance of data processing software; Computer systems analysis; Technical data analysis services; Computer project management services; Computer project management in the field of electronic data processing [EDP]; Designing computer codes; Writing of computer code; Development of computer codes; Computer code conversion for others; Software consultancy services; Advisory and information services relating to computer software; Software research; Platforms for artificial intelligence as software as a service [SaaS]; Diagnosis of faults in computer software; Material testing for fault detection; Data migration services; Configuration of computer firmware; Providing artificial intelligence computer programs on data networks; Software as a service [SaaS] featuring software for machine learning; Configuring computer*

hardware using software; Diagnosing computer hardware problems using software; Software migration services; all the aforesaid being for software configuration and none of the aforesaid services being provided in relation to pharmaceuticals, medical or scientific research, the provision of health or medical information, or chatbot software.

2. On 13 July 2022, the application was opposed by Resolto Informatik GmbH ("the opponent"). The opposition is based on sections 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 ("the Act") and concerns all the goods and services listed above. The opponent is relying on UK Trade Mark No. 918038715, **CONFIGON**, which has a filing date of 21 March 2019 and a registration date of 13 August 2019. It is registered for the following goods and services, all of which are relied on by the opponent:

Class 9

Software; Computer software packages; Recorded computer programs; Mobile apps; embedded software; Computer programs [downloadable software]; Configuration software; Design software; Software for configuring and designing modular products; Production support software; Manufacturing software; software for product development; Virtual reality software; Augmented reality software; CAD software; CAM software; Data processing software for graphic representations; Computers; Tablet computers; Computer hardware; Computer networking hardware; Gateways for the internet of things (IoT); Electronic controllers; Electronic control apparatus; Parts for all of the aforesaid goods included in this class.

Class 42

Software design for others; Software development; Computer programming; Providing temporary use of web-based software; Providing of temporary use of non-downloadable software; Software as a service [SaaS]; Rental of computers and computer software; Cloud computing; Cloud hosting provider services.

3. 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 years prior to the filing date of the contested mark, the opponent is not required to have used it and so may rely on all the goods and services for which it is registered.

4. The opponent claims that the marks are identical, in that the average consumer will not notice the differences between them. In the alternative, it claims that they are highly similar. It also claims that the earlier mark is highly distinctive, both inherently and through the use that has been made of it, and that the goods and services are either identical or similar. Should either the marks or the goods and services be found to be similar, rather than identical, the opponent maintains that there is a likelihood of confusion on the part of the public.

5. The applicant filed a defence and counterstatement denying that the marks are identical, but admitting that they are visually and aurally similar. It claims that the parties' marks target different customer bases and draws my attention to the limitation at the end of each of the classes in the specification of the contested mark. It denies that the goods and services are similar and that there is a likelihood of confusion.

EVIDENCE AND SUBMISSIONS

6. The applicant filed evidence in the form of a witness statement dated 21 February 2023, from Marko Zerdin, Director of CONFIGO SOFTWARE LTD. It is accompanied by four exhibits and goes to the purported differences between the fields in which the two parties operate.

7. The opponent filed no evidence but made written submissions on 21 April 2023.

REPRESENTATION

8. In these proceedings, the opponent is represented by Swindell & Pearson Ltd and the applicant by Stephens Scown LLP. Neither side requested a hearing.

DECISION

Section 5(1)

9. Section 5(1) of the Act is as follows:

> "A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected."

10. In *S.A. Société LTJ Diffusion v Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union ("CJEU")[1] held that:

> "… a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer."[2]

11. The respective marks are shown in the table below:

Earlier mark	Contested mark
CONFIGON	CONFIGO

12. The opponent submits that the difference between the marks, namely the additional "N" at the end of the earlier mark, is so insignificant that it would go unnoticed by the average consumer. However, I remind myself that earlier in the *LTJ Diffusion* case, the CJEU said that:

[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 refer to the trade mark case-law of EU courts, although the UK has left the EU.
[2] Paragraph 54.

> "The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition of identity implies that the two elements compared should be the same in all respects. Indeed, the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the directive, cannot be extended beyond the situation for which it was envisaged, in particular, to those situations which are more specifically protected by Article 5(1)(b) of the directive."[3]

13. The absence of the second letter "N" in the contested mark means that it does not meet the conditions established in this case. I consider that this would be noticed by the average consumer and so the opposition under section 5(1) fails.

Section 5(2)

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

> "A trade mark shall not be registered if because –
>
> (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
>
> (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. As I have found that the marks are not identical, the section 5(2)(a) ground also fails and I shall proceed to examine the opposition under section 5(2)(b). In considering

[3] Paragraph 50.

the opposition under this section, I am guided by the following principles, gleaned from the decisions of the 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 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):

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;

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.

Comparison of goods and services

16. 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."[4]

Class 9

17. The applicant submits that the contested Class 9 goods are all types of software to be used in software configuration and that the goods in the opponent's specification do not, and could not, carry out this function. As the opponent is not required to show that it has used its mark, I must make my comparison on the basis of the earlier mark as it is registered. The specification of that mark includes the general term *Software*, which would include all the terms within this class of the contested application. Goods may be considered identical when one party's goods are included in a more general category designated by the mark of the other party: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29. Consequently, I find that the applicant's Class 9 goods are identical to the opponent's *Software*.

Class 42

18. The contested *Software as service [SaaS]; Platforms for artificial intelligence as software as a service [SaaS]; Software as a service [SaaS] featuring software for machine learning*, all of which are subject to a limitation, are included in the opponent's broader and unlimited *Software as a service [SaaS]* and so are identical per *Meric*.

19. The same principle applies with respect to *Software design; Software development; Rental of software; Leasing of computer software*, all of which are present identically or synonymously, and unlimited, in the opponent's specification.

20. The opponent submits that as all the contested services are software services, they are identical to its own *Software as a service [SaaS]*. I understand that *Software as a service* refers to a particular software delivery model, in which customers pay a regular subscription fee to access software that is centrally hosted. It is a form of cloud computing. Construing the term to include all software services would strain the

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

language beyond its ordinary and natural meaning and I remind myself that services, in particular, should not be interpreted too widely but *"be confined to the core of the possible meanings attributable to the terms"*: see *Sky Plc & Ors v Skykick UK Ltd & Anor* [2020] EWHC 990 (Ch), paragraph 56. In my view, the following services would all be included in the provision of *Software as a service*: *Maintenance of software; Writing of computer software; Testing of computer software; Maintenance of data processing software; Designing computer codes; Writing of computer code; Development of computer codes; Computer code conversion for others; Diagnosis of faults in computer software; Material testing for fault detection; Providing artificial intelligence computer programs on data networks.* They are therefore identical per *Meric*.

21. It is not immediately clear to me that the rest of the contested services would fall within this broader category, with *Software installation* being just one example. I believe that a key feature of SaaS is that the software does not need to be installed on the customer's system and so these services do not appear to me to be *Meric* identical. I shall therefore proceed to make a comparison based on the relevant factors set out in the case law.

22. I shall begin with *Software development, programming and implementation.* Development and programming would be included in the opponent's wider *Software development* and *Computer programming*. I also consider that they would form part of *Software as a Service*. This leaves *Software … implementation*, which I shall compare to *Software development*. The purpose of the opponent's service is to design the software, while that of the applicant's is to install the software on a client's systems and/or integrate it into their processes. Both services would be targeted towards the same users and share the same trade channels. I consider that it is likely that they would be provided by a single entity, with the undertaking responsible for developing the software also managing the implementation process. I find that the services are similar to at least a medium degree. The same rationale applies in the case of *Software installation.*

23. I shall now consider *Configuration of computer software; Configuration of computer systems and networks; Configuration of computer firmware; Configuring computer*

hardware using software. In his witness statement, Mr Zerdin describes software configuration thus:

> "… software configuration allows for the implementation of new software systems or the amending of current software systems as well as the tracking of particular defects or changes which occur within the configuration process, to meet the particular needs of the consumer's business. This is done through undertaking work within the managed software applications and does not make use of any physical components."[5]

24. On the basis of this explanation, I understand that configuration is part of the implementation process and may involve selecting components of a system from a range of possible options in order to meet the customer's needs. The services would be targeted towards the same users and trade channels as *Software development* and, as with *Software implementation*, I consider that it is likely they would be provided by the same undertakings. I find that the services are similar to at least a medium degree.

25. I understand that *Computer software integration* refers to the bringing together of software programs or components into a single system. I consider that the rationale set out above also applies here and that *Computer software integration* is similar to *Software development* to at least a medium degree.

26. The contested *Computer systems analysis; Technical data analysis services; Computer project management services; Computer project management in the field of electronic data processing [EDP]; Software consultancy services; Advisory and information services relating to computer software; Software research* are all forms of research, advisory and project management services that would be provided by an IT consultancy employed to design and implement new digital systems. They would be targeted towards the same users and share the same trade channels as the opponent's *Software development* and *Software design for others*, and be provided by the same undertakings. I find them to be similar to at least a medium degree.

[5] Paragraph 3.

27. *Data migration services* and *Software migration services* are likely to be offered as part of the opponent's *Cloud computing*, with the customer storing data and software in the cloud, rather than on its own servers. I find that the services are identical or, if not identical, then highly similar.

28. The final services to consider are *Diagnosing computer hardware problems using software*. The software used to diagnose such problems may be held remotely or provided on an SaaS model. There may therefore be a degree of complementarity, with the average consumer expecting such services to be provided as part of a cloud computing package. I find that there is at least a medium degree of similarity between these services and the opponent's *Software as a service [SaaS]* and *Cloud computing*.

Average consumer and the purchasing process

29. 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: *Lloyd Schuhfabrik*, paragraph 26.

30. The applicant's goods and services will be bought by businesses and other organisations, rather than the general public. I acknowledge that the opponent's *Computer software* has a wider customer base, but I shall focus on those customers who would be exposed to both parties' goods and services. The goods are likely to be purchased relatively infrequently and to be fairly costly, although I accept that there may be some less expensive options available, particularly for small businesses. The same applies to the services: even where, as in *Software as a service*, subscription fees may be charged on a regular and frequent basis, I would expect the customer to sign up to a contract. Given the importance of software and related services to the running of the business, the average consumer would, in my view, pay a relatively high degree of attention during the purchasing process.

31. When choosing a provider of the goods and services, the average consumer would consult websites and may also use printed promotional material. I consider that they may also receive word-of-mouth recommendations or advice from consultants. Both the verbal and aural elements of the marks will be relevant.

Comparison of marks

32. 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."[6]

33. 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. Both marks are marks consisting of a single plain word (**CONFIGON** v **CONFIGO**). The overall impression of each mark must therefore lie in the word.

34. I have already found that the marks are not identical. As the only difference between them is the final letter "N" of the earlier mark, I find that they are visually highly similar. The earlier and contested marks will be articulated as "CON-FI-GON" and "CON-FI-GOH" respectively. The first two out of the three syllables are identical and

[6] Paragraph 34.

on this basis I find that they are aurally similar to a high degree. Conceptually, both marks are invented words. The average consumer may believe that they allude to the word “CONFIGURE”. If that is the case, the marks are conceptually identical. If the average consumer sees the words as purely invented, there is no conceptual comparison to be made.

Distinctive character of the earlier mark

35. 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).”

36. 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.

37. Although the opponent claimed that the earlier mark had an enhanced degree of distinctive character, it has filed no evidence to support the claim. Consequently, I have only the inherent position to consider.

38. I have already found the earlier mark to consist of an invented word. For those consumers who think it is purely invented, and see no connection with the word "CONFIGURE", the earlier mark would have a high degree of inherent distinctive character. For those who think the mark has been formed by altering a word that may be allusive, the mark would have a medium degree of inherent distinctive character, as the neologism would increase an otherwise fairly low level of distinctiveness.

Conclusions on likelihood of confusion

39. 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.

40. 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 the difference between them:

> "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.'"[7]

41. The average consumer is prone to imperfect recollection even when they are paying a high degree of attention during the purchasing process. The visual and aural differences between the marks are very small, and the average consumer either has no conceptual hook to help them distinguish between them, or that conceptual content is identical. I find that it is likely that the average consumer will mistake one mark for another and so be directly confused, whatever the degree of similarity between the goods and services.

42. The section 5(2)(b) ground succeeds.

OUTCOME

43. The opposition is successful and Application No. 3772889 is refused registration.

COSTS

44. 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. The applicant has requested that costs not be awarded as it claims that the opponent has not made any attempt to settle the matter, did not respond to an approach from the applicant, and did not file a notice of threatened opposition. This claim was repeated by Mr Zerdin in his witness statement.

45. The opponent objected to this part of the witness statement, arguing that the applicant's approach was made on a without prejudice basis and that consequently this part of the evidence should be struck out. I note that no documents have been

[7] Paragraph 16.

filed and do not consider that the mere fact that the applicant approached the opponent to attempt to settle the matter is inadmissible. I also consider that it has no bearing on any award of costs that I might make as there is nothing to say that any offer that was made was a reasonable one.

45. Turning to the applicant's submissions on the failure to file a notice of threatened opposition, I remind myself that Tribunal Practice Notice 6/2008 deals with the need to provide reasonable notice of an opposition. It states that:

> "Where an opposition is defended, the provision or otherwise of prior notice will not usually affect the award of costs at the conclusion of the proceedings, which will normally be based on the published scale of costs."[8]

46. Therefore, I make an award of costs to the opponent and this is calculated as follows:

> *Preparing a statement and considering the other side's statement: £200*
> *Considering and commenting on the other side's evidence: £500*
> *Official fees: £100*
> ***TOTAL: £800***

47. I order Configo Software Ltd to pay Resolto Informatik GmbH the sum of £800. 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 15th day of August 2023

Clare Boucher,
For the Registrar,
Comptroller-General

[8] Paragraph 6.