

**O/0831/23**

**CONSOLIDATED PROCEEDINGS**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION NOS.**

**3674876, 3656463, 3676371 & 3674883**

**BY SHOPTAGR LTD.**

**AND**

**IN THE MATTER OF THE OPPOSITIONS THERETO**

**UNDER NOS. 429054, 429062, 429070 & 429076 BY**

**SWAPPOINT AG**

## BACKGROUND AND PLEADINGS

1. These proceedings concern four trade mark applications by Shoptagr Ltd. (“the applicant”).

### ***The applications***

2. On 16 June 2021, the applicant applied to register **KARMAGIVES** as a trade mark in the United Kingdom in respect of the following goods and services:

#### Class 9

*Downloadable software for charitable fundraising; Downloadable software for assisting users with shopping; Downloadable software for connecting users with third parties who support charitable causes; Downloadable software for connecting users with philanthropic or charitable third parties and facilitating purchase transactions between the parties; Downloadable software for connecting users with third parties that support good causes; Downloadable software for users to save, view, organize, and purchase goods from third parties who support good causes; Downloadable software for facilitating monetary charitable contributions to charitable organizations; Downloadable software for providing users with cash back incentives via a loyalty program through facilitating decisions to charitable organizations; Downloadable software for providing users with a loyalty program and cash back incentives.*

#### Class 35

*Facilitating administrative coordination among charitable organizations; Promoting the charitable giving of others, namely, tracking and publicizing charitable donations and random acts of kindness; Promoting the charitable giving of others, namely, connecting charitable organizations to third parties to publicize the charity; Managing the charitable giving programs of others; Publicizing charitable donations by connecting users with third parties who support good causes; Providing business information regarding charitable or humanitarian organizations; Coordination of the procurement and distribution of in-kind donations and services; Administration of a consumer loyalty program to promote charitable businesses; Administration of a consumer loyalty program to promote third party businesses; Consumer loyalty services for commercial, promotional, and/or advertising purposes, namely, administration of a cash back digital wallet program to use money in a user’s wallet for purchases and to choose a purpose to donate to while*

*shopping; Business administration of consumer loyalty programs; Providing incentive award programs through issuance and processing of cash back for purchase of charitable company's goods and services.*

**Class 36**

*Charitable fundraising services; Accepting and facilitating monetary charitable contributions; Providing fundraising information regarding charitable organizations; Charitable fundraising services by means of connecting users with charitable organizations to facilitate donations to such organizations; Accepting and administering monetary charitable contributions to support philanthropic or humanitarian organizations; Administering monetary charitable contributions for charitable organizations; Loyalty program payment processing services.*

3. On 29 July 2021, claiming a priority date of 23 July 2021,<sup>1</sup> the applicant applied to register **KARMAPAY** as a trade mark in the United Kingdom for the following goods and services:

**Class 9**

*Downloadable software for providing incentive award programs; Downloadable software for the issuance of debit cards; Downloadable software for facilitating the issuance of debit cards; Downloadable software for facilitating transactions with third parties who issue debit cards; Downloadable software for assisting users with receiving debit cards; Downloadable software for the issuance of virtual debit cards; Downloadable software for assisting with obtaining debit cards; Downloadable software for the debit card payment transaction services; Downloadable software for assisting users with shopping; Downloadable software for processing electronic payments through prepaid cards; Downloadable software for issuing prepaid cards; Downloadable software for assisting users with obtaining prepaid cards; Downloadable software for assisting users with obtaining prepaid cards with third parties; Downloadable software for issuing virtual prepaid cards; Downloadable software for assisting users with obtaining prepaid virtual cards; Downloadable software for processing of contactless debit and credit card payments; Downloadable software for providing contactless credit and debit cards; Downloadable software for credit card authorization services; Downloadable software for financial transactions; Downloadable software for assisting users with financial transactions; Downloadable software for assisting users with third party financial*

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<sup>1</sup> Priority is claimed from US Trademark No. 90844949.

*transactions; Downloadable software for arrangement of loans; Downloadable software for providing users loans to obtain prepaid cards; Downloadable software for providing users temporary loans to obtain debit cards; Downloadable software for providing users with the ability to obtain virtual payment cards; Downloadable software for providing temporary loans; Downloadable software for issuing prepaid debit cards; Downloadable software for issuing prepaid credit cards; Downloadable software for providing business information; Downloadable software for providing financial information; Downloadable software for providing online payment information; Downloadable software for promoting the prepaid card services by using third party services; Downloadable software for promoting the debit cards of others; Downloadable software for providing users with the option to purchase items and pay later.*

### Class 35

*Providing incentive award programs for customers through distribution of prepaid stored value virtual cards for the purpose of promoting and rewarding loyalty; Providing incentive award programs for customers through distribution of stored value cards for the purpose of promoting and rewarding loyalty; Providing incentive award programs for employees through distribution of prepaid cards for the purpose of promoting and rewarding loyalty; Business information relating to loans, finance, and capital; Promoting the prepaid card services by using third party services; Promoting the debit card services by using third party services; Promoting the goods and services of other financial institutions; Promoting the payment services by using third party services; Promoting public awareness of other prepaid card businesses.*

### Class 36

*Issuance of debit cards; Issuance of virtual debit cards; Issuance of credit cards; Issuance of prepaid credit cards; Issuance of virtual credit cards; Issuance of prepaid debit cards; Debit card transaction processing services; Processing of contactless debit and credit card payments; Payment processing services, namely, credit card and debit card transaction services; Credit card authorization services; Arranging of loans; Providing temporary loans; Providing personal loans and lines of credit; Arranging and provisioning of credit, loans, and debit cards; Issuance of virtual debit cards; Financing loans and discounting of bills; Issuing prepaid debit card; Issuing prepaid credit cards; Stored value prepaid card services, namely, processing electronic payments made through prepaid cards; Facilitating transactions with third parties who issue debit cards; Providing financial services, namely, assisting users with obtaining and receiving debit cards; Providing financial services, namely, assisting users by connecting the user with*

*third parties who provide prepaid cards; Providing financial services, namely, assisting users with obtaining and receiving virtual debit cards; Providing financial services, namely, assisting users with obtaining and receiving prepaid cards; Providing financial services, namely, providing temporary loans to allow users to obtain prepaid cards; Providing financial services, namely, providing temporary loans to allow users to obtain debit cards; Providing financial services, namely, providing temporary loans to allow users to obtain virtual debit cards; Providing financial services, namely, providing temporary loans to allow users to obtain virtual payment cards; Providing financial services, namely, providing temporary loans to allow users to obtain virtual debit cards or prepaid cards; Providing financial services, namely, connecting parties with third party debit card companies; Financial services, namely, connecting parties with third party prepaid card companies; Financial services, namely, connecting parties with third party virtual card companies.*

#### Class 42

*Providing temporary use of online non-downloadable software for the issuance of debit cards; Providing temporary use of online non-downloadable software for the debit card payment transaction services; Providing temporary use of online non-downloadable software for assisting users with shopping; Providing temporary use of online non-downloadable software for connecting users with third parties who participate in rewards programs; Providing temporary use of online non-downloadable software for processing electronic payments through prepaid cards; Providing temporary use of online non-downloadable software for processing of contactless debit and credit card payments; Providing temporary use of online non-downloadable software for credit card authorization services; Providing temporary use of online non-downloadable software for financial transactions; Providing temporary use of online non-downloadable software for arrangement of loans; Providing temporary use of online non-downloadable software for providing temporary loans; Providing temporary use of online non-downloadable software for issuing prepaid debit cards; Providing temporary use of online non-downloadable software for issuing prepaid credit cards; Providing temporary use of online non-downloadable software for providing business information; Providing temporary use of online non-downloadable software for providing financial information; Providing temporary use of online non-downloadable software for facilitating the issuance of debit cards; Providing temporary use of online non-downloadable software for facilitating transactions with third parties who issue debit cards; Providing temporary use of online non-downloadable software for assisting users with receiving debit cards; Providing temporary use of online non-downloadable software for the issuance of virtual*

*debit cards; Providing temporary use of online non-downloadable software for assisting with obtaining debit cards; Providing temporary use of online non-downloadable software for assisting users with financial transactions; Providing temporary use of online non-downloadable software for assisting users with third party financial transactions; Providing temporary use of online non-downloadable software for providing users loans to obtain prepaid cards; Providing temporary use of online non-downloadable software for providing users temporary loans to obtain debit cards; Providing temporary use of online non-downloadable software for providing users with the ability to obtain virtual payment cards; Providing temporary use of online non-downloadable software providing online payment information; Providing temporary use of online non-downloadable software for promoting the prepaid card services of others; Providing temporary use of online non-downloadable software for promoting the debit cards of others; Providing temporary use of online non-downloadable software for providing users with the option to purchase items and pay later.*

4. Also on 29 July 2021, claiming a priority date of 23 July 2021,<sup>2</sup> the applicant applied to register **KARMACASH** as a trade mark in the United Kingdom for the following goods and services:

Class 9

*Downloadable software for assisting users with shopping; Downloadable software for connecting users with third parties and facilitating purchase transactions between the parties; Downloadable software for connecting users with third parties; Downloadable software for users to save, view, organize, and purchase goods from third parties; Downloadable software for users to save, view, organize, and purchase goods; Downloadable software for facilitating transactions between consumers and organizations; Downloadable software for facilitating transactions for consumers; Downloadable software for providing users with monetary incentives via loyalty programs; Downloadable software for providing users with a loyalty program; and monetary incentives; Downloadable software for use as a digital wallet; Downloadable software for providing monetary rewards for utilizing a shopping assistant; Downloadable software for promoting the goods and services of a network of merchants by providing monetary offers to software users; Downloadable software for promoting the goods and services of others by providing monetary offers to a user's digital wallet; Downloadable software for promoting the goods and services of others by providing a website featuring*

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<sup>2</sup> Priority is claimed from US Trademark No. 90844957.

*monetary offers, card link offers, discount information, and information related to promotional shopping offers; Downloadable software for administering a program on behalf of businesses to enable participating members to obtain monetary and special offers for purchasing the products and services of participating online vendors; Downloadable software for providing a loyalty program to users of the software; Downloadable software for providing a third party loyalty program to users of the software; Downloadable software for providing monetary incentives for using the software to shop online; Downloadable software for facilitating purchase transactions online.*

### Class 35

*Online posting of rewards information; Promoting of goods and services of others by means of the issuance of loyalty rewards points; Arranging and conducting incentive reward programs to promote the sales of the goods and services of others; Promoting the sale of goods and services of others by means of contests and incentive awards programs; Providing incentive award programs for customers through issuance and processing of loyalty points for online purchase of a company's goods and services; Providing incentive award programs for customers through distribution of prepaid stored value cards for the purpose of promoting and rewarding loyalty; providing incentive award programs for employees through distribution of prepaid stored value cards for the purpose of promoting and rewarding loyalty; Promoting the goods and services of others, namely, providing monetary offers; Promoting the goods and services of a network of merchants by providing monetary offers; Promoting the goods and services of others by providing monetary offers to a user's digital wallet; Promoting the goods and services of others by providing a website featuring monetary offers, card link offers, discount information, and information related to promotional shopping offers; Administering an online program on behalf of businesses to enable participating members to obtain monetary and special offers for purchasing the products and services of participating online vendors; Administration of a consumer loyalty program to promote the goods and services of others; Consumer loyalty services for promotional or advertising purposes, namely, administration of a loyalty program that allows users to redeem rewards; Consumer loyalty services for promotional or advertising purposes, namely, administration of a loyalty program that allows users to redeem rewards offered by other loyalty programs.*

Class 42

*Providing temporary use of online non-downloadable software for conducting rewards programs; Providing temporary use of online non-downloadable software for assisting users with shopping; Providing temporary use of online non-downloadable software for connecting users with third parties and facilitating purchase transactions between the parties; Providing temporary use of online non-downloadable software for connecting users with third parties; Providing temporary use of online non-downloadable software for users to save, view, organize, and purchase goods from third parties; Providing temporary use of online non-downloadable software for users to save, view, organize and purchase goods; Providing temporary use of online non-downloadable software for facilitating transactions between consumers and organizations; Providing temporary use of online non-downloadable software for facilitating transactions for consumers; Providing temporary use of online non-downloadable software for providing users with monetary incentives via loyalty programs; Providing temporary use of online non-downloadable software for providing users with a loyalty program; and monetary incentives; Providing temporary use of online non-downloadable software for use as a digital wallet; Providing temporary use of online non-downloadable software for providing monetary rewards for utilizing a shopping assistant; Providing temporary use of online non-downloadable software for promoting the goods and services of a network of merchants by providing monetary offers to software users; Providing temporary use of online non-downloadable software for promoting the goods and services of others by providing monetary offers to a user's digital wallet; Providing temporary use of online non-downloadable software for promoting the goods and services of others by providing a website featuring monetary offers, card link offers, discount information, and information related to promotional shopping offers; Providing temporary use of online non-downloadable software for administering a program on behalf of businesses to enable participating members to obtain monetary and special offers for purchasing the products and services of participating online vendors; Providing temporary use of online non-downloadable software for providing a loyalty program to users of the software; Providing temporary use of online non-downloadable software for providing a third party loyalty program to users of the software; Providing temporary use of online non-downloadable software for providing monetary incentives for using the software to shop online; Providing temporary use of online non-downloadable software for facilitating purchase transactions online.*

5. On 3 August 2021, claiming a priority date of 29 July 2021,<sup>3</sup> the applicant applied to register **KARMASHOPPING** as a trade mark in the United Kingdom for the following goods and services:

Class 9

*Downloadable software for saving and bookmarking items into lists from external online stores, applications, and websites; Downloadable software used to bookmark data from online stores, applications, and websites; Providing downloadable software that allow the user to bookmark, save, and organize data into lists from online stores, applications, and websites and syncing across various electronic devices; Downloadable software for detecting price changes, coupons, and stock availability in real time from various websites, applications, online stores, and websites; Downloadable software for automatically checking discounts, cashback offers, deals, coupons, vouchers, promotional codes, shopping data, and shopping tips from external websites and merchants; Downloadable software for allowing users to perform electronic business transactions; Downloadable software for allowing users to bookmark items and websites from third parties; Downloadable software for charitable fundraising; Downloadable software for assisting users for shopping; Downloadable software for connecting users with third parties who support charitable causes; Downloadable software for connecting users with philanthropic or charitable third parties and facilitating purchase transactions between the parties; Downloadable software for connecting users with third parties that support good causes; Downloadable software for users to save, view, organize, and purchase goods from third parties who support good causes; Downloadable software for facilitating monetary charitable contributions to charitable organizations; Downloadable software for providing users with cash back incentives via a loyalty program through facilitating donations to charitable organizations; Downloadable software for providing users with a loyalty program and cash back incentives; Downloadable software for facilitating transactions for consumers; Downloadable software for providing users with monetary incentives via loyalty programs; Downloadable software for providing users with a loyalty program; and monetary incentives; Downloadable software for use as a digital wallet; Downloadable software for providing monetary rewards for utilizing a shopping assistant; Downloadable software for promoting the goods and services of a network of merchants by providing monetary offers to software users; Downloadable software for promoting the goods and services of others by providing monetary offers to a user's digital wallet; Downloadable software for promoting the goods and services of*

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<sup>3</sup> Priority is claimed from US Trademark No. 90855685.

*others by providing a website featuring monetary offers, card link offers, discount information, and information related to promotional shopping offers; Downloadable software for administering a program on behalf of businesses to enable participating members to obtain monetary and special offers for purchasing the products and services of participating online vendors; Downloadable software for providing a loyalty program to users of the software; Downloadable software for providing a third party loyalty program to users of the software; Downloadable software for providing monetary incentives for using the software to shop online; Downloadable software for facilitating purchase transactions online.*

### Class 35

*Advertising services, namely, promoting the goods of third parties via digital media by connecting users to third party deals and promotions; Promoting the goods and services of others by allowing users to bookmark, save, and organize data into lists from online stores, applications, and websites; Promotional services, namely, promoting the sales of goods and services of others through administration of a program that allows users of the service to automatically check discounts, cashback offers, deals, coupons, vouchers, promotional codes, shopping data, and shopping tips from others businesses; Administration of a program that allows users to bookmark goods and services from other businesses; Promoting the goods and services of third parties by providing a program where users can automatically check for deals and discounts from third parties based on user input; Advertising services, namely, promoting the goods and services of third parties by connecting users to third party deals and promotions; Advertising services, namely, promoting the goods and services of others by allowing the user to detect price changes, coupons, and stock availability in real time from third parties; Charitable services, namely, facilitating administrative coordination among charitable organizations; Promoting the charitable giving of others, namely, tracking and publicizing charitable donations and random acts of kindness; Promoting the charitable giving of others, namely, connecting charitable organizations to third parties to publicize the charity; Managing the charitable giving programs of others; Publicizing charitable donations by connecting users with third parties who support good causes; Providing business information regarding charitable or humanitarian organizations; Charitable services, namely, coordination of the procurement and distribution of in-kind donations and services; Administration of a consumer loyalty program to charitable businesses; Administration of a consumer loyalty program to promote third party businesses; Consumer loyalty services for commercial, promotional, and/or advertising purposes, namely, administration of a cash back digital wallet program to use money in a user's*

wallet for purchases and to choose a purpose to donate to while shopping; Business administration of consumer loyalty programs; Providing incentive award programs through issuance and processing of cash back for purchase of charitable company's goods and services.

### Class 36

Charitable fundraising services; Accepting and facilitating monetary charitable contributions; Providing fundraising information regarding charitable organizations; Charitable fundraising services by means of connecting users with charitable organizations to facilitate donations to such organizations; Accepting and administering monetary charitable contributions to support philanthropic or humanitarian organizations; Administering monetary charitable contributions for charitable organizations; Loyalty program payment processing services; Issuance of debit cards; Issuance of virtual debit cards; Issuance of credit cards; Issuance of prepaid credit cards; Issuance of virtual credit cards; Issuance of prepaid debit cards; Debit card transaction processing services; Processing of contactless debit and credit card payments; Payment processing services, namely, credit card and debit card transaction services; Credit card authorization services; Arranging of loans; Providing temporary loans; Providing personal loans and lines of credit; Arranging and provisioning of credit, loans, and debit cards; Issuance of virtual debit cards; Financing loans and discounting of bills; Issuing prepaid debit card; Issuing prepaid credit cards; Stored value prepaid card services, namely, processing electronic payments made through prepaid cards; Facilitating transactions with third parties who issue debit cards; Providing financial services, namely, assisting users with obtaining and receiving debit cards; Providing financial services, namely, assisting users with obtaining and receiving debit cards; Providing financial services, namely, assisting users with obtaining and receiving prepaid cards; Providing financial services, namely, providing temporary loans to allow users to obtain prepaid cards; Providing financial services, namely, providing temporary loans to allow users to obtain debit cards; Providing financial services, namely, providing temporary loans to allow users to obtain virtual debit cards; Providing financial services, namely, providing temporary loans to allow users to obtain virtual payment cards; Providing financial services, namely, issuing temporary loans to allow users to obtain debit cards or prepaid cards; Providing financial services, namely, connecting parties with third party prepaid card companies; Financial services, namely, connecting parties with third party virtual card companies.

Class 42

*Providing temporary use of online cloud-based non-downloadable software for saving and bookmarking items into lists from external online stores, applications, and websites; Providing temporary use of online non-downloadable software used to bookmark data from online stores, applications, and websites; Providing temporary use of online non-downloadable software that allows the user to bookmark, save, and organize data into lists from online stores, applications, and websites and syncing across various electronic devices; Providing temporary use of online non-downloadable software for detecting price changes, coupons, and stock availability in real time from various websites, applications, online stores, and websites; Providing temporary use of online non-downloadable software for automatically checking discounts, cashback offers, deals, coupons, vouchers, promotional codes, shopping data, and shopping tips from external websites and merchants; Providing temporary use of online non-downloadable software for allowing users to perform electronic business transactions; Providing temporary use of online non-downloadable software for allowing users to bookmark items and websites from third parties; Providing temporary use of online non-downloadable software for the issuance of debit cards; Providing temporary use of online non-downloadable software for the debit card payment transaction services; Providing temporary use of online non-downloadable software for assisting users with shopping; Providing temporary use of online non-downloadable software for connecting users with third parties who participate in rewards programs; Providing temporary use of online non-downloadable software for processing electronic payments through prepaid cards; Providing temporary use of online non-downloadable software for processing of contactless debit and credit card payments; Providing temporary use of online non-downloadable software for credit card authorization services; Providing temporary use of online non-downloadable software for financial transactions; Providing temporary use of online non-downloadable software for arrangement of loans; Providing temporary use of online non-downloadable software for providing temporary loans; Providing temporary use of online non-downloadable software for issuing prepaid debit cards; Providing temporary use of online non-downloadable software for issuing prepaid credit cards; Providing temporary use of online non-downloadable software for providing business information; Providing temporary use of online non-downloadable software for providing financial information; Providing temporary use of online non-downloadable software for facilitating the issuance of debit cards; Providing temporary use of online non-downloadable software for facilitating transactions with third parties who issue debit cards; Providing temporary use of online non-downloadable software for assisting users with receiving debit cards; Providing temporary use of online non-downloadable software for the issuance of virtual*

*debit cards; Providing temporary use of online non-downloadable software for assisting with obtaining debit cards; downloadable software for assisting users with financial transactions; Providing temporary use of online non-downloadable software for assisting users with third party financial transactions; Providing temporary use of online non-downloadable software for providing users loans to obtain prepaid cards; Providing temporary use of online non-downloadable software for providing users temporary loans to obtain debits cards; Providing temporary use of online non-downloadable software for providing users with the ability to obtain virtual payment cards; Providing temporary use of online non-downloadable software providing online payment information; Providing temporary use of online non-downloadable software for promoting the prepaid card services of others; Providing temporary use of online non-downloadable software for promoting the debit cards of others; Providing temporary use of online non-downloadable software for providing users with the option to purchase items and pay later.*

### ***The oppositions***

6. On 10 December 2021, all four applications were opposed by SWAPPOINT AG (“the opponent”). The oppositions are based on section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and concern all the goods and services in the applications. The opponent relies on UK Trade Mark (“UKTM”) No. 918162918, **KARMA COIN**, which has a filing date of 9 December 2019 and a registration date of 11 June 2020, and UKTM No. 918162917, **KARMA POINT**, which has a filing date of 9 December 2019 and a registration date of 5 June 2020. Both marks are registered for the following goods and services, all of which are being relied on:

#### **Class 9**

*Computer hardware; Computer software; Data storage devices and media; Data processing equipment and apparatus, and electronic and mechanical accessories; Information technology and audio-visual, multimedia and photographic deviecs.*

#### **Class 35**

*Marketing and promotional services, especially promoting the goods and services of others; Advertising and marketing; Advertising and marketing, customers loyalty, reward, motivation and bonus scheme services; Business assistance, management and administrative services; Business administration; Advice relating to barter trade;*

*Business analysis, research and information services; Commercial business assistance and consumer information; Conducting and negotiation of bartering transactions for goods and services; Support and assistance with regard to handling commercial transactions, for others; Organisational consultancy relating to e-commerce.*

**Class 36**

*Real estate finance services; Financial and monetary services, and banking; Financial services in relation to digital currencies.*

**Class 38**

*Telecommunications; telecommunication services; Access to content, websites and portals; Providing of access to internet platforms for use of services on the internet.*

**Class 39**

*Transport, transport of passengers and goods; Transport brokerage; Services in the field of transport, logistics and locomotion; Services in the field of sustainable transport, sustainable logistics and sustainable locomotion; Carpooling and transport brokerage; Car sharing; Vehicle hire; Transport arrangement; Packaging and storage of goods and general storage services; Rental of storage facilities and lockers; Transport; Providing information and reviews concerning travel.*

**Class 41**

*Education, entertainment and sports; Providing of educational, entertainment, sporting and cultural events, in particular relating to digital currencies or exchange currencies; Publishing and reporting; Electronic publication of information relating to the products and services of others, namely, price-comparison information, product reviews and discount information; Electronic publication of information and reviews relating to the goods and services of others; Publication of information and reviews relating to temporary accommodation and services for providing food and drink.*

**Class 42**

*IT services; Programming of computer software in the field of e-commerce; Consultancy services relating to software used in the field of e-commerce; Hosting of e-commerce platforms on the Internet; Science and technology services; Design services.*

Class 43

*Providing temporary accommodation; Providing food and drink; Brokerage, reservation and booking of temporary accommodation and of restaurants and meals for providing food and drink.*

Class 45

*Legal services, in particular licensing of rights; Licensing of franchise concepts; Licensing of industrial property rights and copyright.*

7. Both marks qualify as earlier marks under section 6(1) of the Act by virtue of their earlier filing dates. As the marks completed their registration procedures less than five years before the filing or priority dates of the contested marks, the opponent may rely on all the goods and services for which the earlier marks stand registered.

8. The opponent claims that the marks are similar and that the goods and services covered by the marks are identical or similar. Consequently, it claims that there exists a likelihood of confusion on the part of the relevant public in the UK.

9. The applicant filed defences and counterstatements denying the claims made.

10. Neither party filed evidence in these proceedings. The opponent and the applicant filed written submissions on 30 December 2022 and 28 February 2023 respectively.

11. Neither party requested a hearing. The applicant filed final written submissions on 30 May 2023.

12. In these proceedings, the opponent is represented by Lewis Silkin LLP and the applicant by Trademarkia.

13. I note that an application for a declaration of invalidity has been filed in respect of **KARMAPOINT**.<sup>4</sup> These proceedings are currently suspended. As the specifications of the two earlier marks are identical, I shall consider the opposition on the basis of the other earlier mark, **KARMACOIN**, and return to **KARMAPOINT** if necessary.

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<sup>4</sup> CA505416.

## DECISION

14. 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.”

15. In considering these oppositions, 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):<sup>5</sup>

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

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<sup>5</sup> Although the UK has left the EU and the transition period has now expired, EUTMs and International Marks which have designated the EU for protection are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, SI 2019 No. 269, Schedule 5. Further information is provided in Tribunal Practice Notice 2/2020.

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.”<sup>6</sup>

### **Class 9**

17. All the contested goods in this class are forms of software. This applies for each of the contested marks. The opponent’s specification includes the term *Computer software*, which encompasses all the applicant’s software goods. Where the goods denoted by a term in one party’s specification would be included in a broader category in the other party’s specification, they are considered to be identical: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29.

18. The applicant submits that the types of software in its specifications are “*very sophisticated and specialized software used mainly via mobile devices*”, requiring specialist programmers with skills in artificial intelligence and machine learning

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<sup>6</sup> *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

technology.<sup>7</sup> It contrasts this with what it understands the opponent to be offering, apparently on the basis of an assessment of what the other classes in the specification might reveal about the business activities of the opponent. However, I must make my assessment on the basis of the specification as registered and the terms therein. This means that I must also not take into account the submissions of the applicant that the contested marks are used with “*a very well-known discount and price-drop tool*” and that therefore the targeted users are different from those of the opponent’s “*application to exchange audio, video or stories and collect points by asking people to download their application.*”<sup>8</sup> *Computer software* as a term includes all types of software, whether they are simple or specialist. I therefore find that the contested Class 9 goods are all identical to the opponent’s *Computer software*.

### Class 35

19. I agree with the applicant that the wording of the terms needs to be considered carefully. In *FIL Limited & Anor v Fidelis Underwriting Limited & Ors* [2018] EWHC 1097 (Pat), Arnold J (as he then was) stated that:

“... terms in specifications of goods and services should be given their ordinary and natural meaning, but this is subject to two overlapping qualifications: first, specifications of services are inherently less precise than specifications of goods, and therefore should be interpreted in a manner which confines them to the core of the ordinary and natural meaning rather than more broadly; and secondly, terms should not be interpreted so liberally that they become unclear and imprecise.”<sup>9</sup>

20. I bear this guidance in mind as I make my comparisons.

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<sup>7</sup> Written submissions of 28 February 2023, paragraph 37.

<sup>8</sup> *Ibid*, paragraph 44.

<sup>9</sup> Paragraph 86.

## KARMAGIVES

21. I shall compare *Facilitating administrative coordination among charitable organizations* to the opponent's *Business administration*. The applicant submits that:

“Business administration services mean the work of managing an organization's resources, time and people. Business administration professionals work to ensure that businesses and organizations are run effectively, efficiently and profitably.”<sup>10</sup>

22. I accept this interpretation of the opponent's term. I see no reason why such services should not be also offered to charitable organisations, some of which are large and will have the same needs to manage their resources, time and people as a commercial organisation. In the absence of any specific submissions, I understand the contested term to refer to a service for enabling charitable organisations to share administrative functions and, in my view, this would fall under the broader term *Business administration* and so be identical per *Meric*.

23. The next term I shall consider is *Promoting the charitable giving of others, namely, tracking and publicizing charitable donations and random acts of kindness*. I shall compare this term with the opponent's *Marketing and promotional services, especially promoting the goods and services of others*. The word “especially” does not exclude other *Marketing and promotional services* in the same way that “namely” would. The contested service involves promoting charitable activities by others and so would fall under the broader term of *Promotional services*. I find them to be identical per *Meric*.

24. I understand the contested *Promoting the charitable giving of others, namely, connecting charitable organizations to third parties to publicize the charity* to be an intermediary service, in which the provider would introduce a charitable organisation to a third party that would deliver promotional services for it. I shall compare it to the opponent's *Marketing and promotional services, especially promoting the goods and services of others*. This term includes services that would be targeted towards the

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<sup>10</sup> Written submissions of 28 February 2023, paragraph 50.

same users as the applicant's services. The purpose of the opponent's service is to promote the goods and services of others, while that of the applicant's is to find a provider of promotional services. While these purposes are not identical, they are related. The nature of the services and method of use are different. The services are in competition, as a consumer may itself seek out a supplier of promotional services or employ a third party to do this work. I do not consider the services to be complementary because, while the applicant's services are dependent on the opponent's, the average consumer would not expect a provider of promotional services also to be arranging connections between organisations and their competitors. Taking all these factors into account, I consider that there is a medium degree of similarity between the services.

25. I turn now to *Managing the charitable giving programs of others*. I understand this term to mean acting for a third party that wishes to give sums of money or time to charitable organisations, by selecting the recipients of funding, administering that funding and monitoring its effectiveness and any impact on the reputation of the donor. There is some overlap with the activities covered by the opponent's *Business administration* and its users and purpose. The services are not in competition and I do not find them to be complementary. I consider that they are similar to a low degree.

26. In my view, the contested *Publicizing charitable donations by connecting users with third parties who support good causes* would include the provision of a service whereby individuals or organisations could find out which third parties supported which good causes. They could then use that information either to seek funding themselves or to guide their own purchasing decisions. The users of the service would be both those parties seeking information and the supporters of good causes. Consequently, the service does, in my view, have a promotional aspect. I shall therefore compare it to the opponent's *Marketing and promotional services, especially promoting the goods and services of others*. If they are not identical per *Meric*, they are similar to at least a medium degree.

27. The contested *Providing business information regarding charitable or humanitarian organizations* is included in the opponent's broader *Business analysis, research and information services* and is identical per *Meric*.

28. I come now to *Coordination of the procurement and distribution of in-kind donations and services*. The subject of these services are donations of goods or services, rather than money. The opponent, in otherwise detailed submissions on the comparison of goods and services, has not indicated which of its goods or services it considers to be identical or similar to the applicant's services. I cannot see any similarity between these services and the opponent's goods and services. Consequently, I find them to be dissimilar.

29. The next group of services is *Administration of a consumer loyalty program to promote charitable businesses; Administration of a consumer loyalty program to promote third party businesses; Consumer loyalty services for commercial, promotional, and/or advertising purposes, namely, administration of a cash back digital wallet program to use money in a user's wallet for purchases and to choose a purpose to donate to while shopping; Business administration of consumer loyalty programs; Providing incentive award programs through issuance and processing of cash back for purchase of charitable company's goods and services*. They are all encompassed by the opponent's *Advertising and marketing, customers loyalty, reward, motivation and bonus scheme services*. I find them to be identical per *Meric*.

#### KARMAPAY

30. I group the following services together: *Providing incentive award programs for customers through distribution of prepaid stored value virtual cards for the purpose of promoting and rewarding loyalty; Providing incentive award programs for customers through distribution of stored value cards for the purpose of promoting and rewarding loyalty; Providing incentive award programs for the purpose of promoting and rewarding loyalty; Providing incentive award programs for employees through distribution of prepaid cards for the purpose of promoting and rewarding loyalty*. I find them to be included in the opponent's *Advertising and marketing, customers loyalty, reward, motivation and bonus scheme services*. They are therefore identical per *Meric*.

31. The contested *Business information relating to loans, finance, and capital* is included in the opponent's *Business analysis, research and information* and is therefore identical per *Meric*.

32. The final group of services is *Promoting the prepaid card services by using third party services; Promoting the debit card services by using third party services; Promoting the goods and services of other financial institutions; Promoting the payment services by using third party services; Promoting public awareness of other prepaid card businesses*. These are included in the opponent's *Marketing and promotional services, especially promoting the goods and services of others*. They are also identical per *MeriC*.

#### **KARMACASH**

33. All the services in Class 35 are related to the operation of loyalty and reward schemes. They are included in the opponent's *Advertising and marketing, customers loyalty, reward, motivation and bonus scheme services* and so are identical per *MeriC*.

#### **KARMASHOPPING**

34. The first group of services I shall consider is as follows: *Advertising services, namely, promoting the goods of third parties via digital media by connecting users to third party deals and promotions; Promoting the goods and services of others by allowing users to bookmark, save, and organize data into lists from online stores, applications and websites; Promotional services, namely, promoting the sales of goods and services of others through administration of a program that allows users of the service to automatically check discounts, cashback offers, deals, coupons, vouchers, promotional codes, shopping data, and shopping tips from other businesses; Administration of a program that allows users to bookmark goods and services from other businesses; Promoting the goods and services of third parties by providing a program where users can automatically check for deals and discounts from third parties based on user input; Advertising services, namely, promoting the goods and services of third parties by connecting users to third party deals and promotions; Advertising services, namely, promoting the goods and services of others by allowing the user to detect price changes, coupons, and stock availability in real time from third parties*.

35. I agree with the applicant that these services describe a digital shopping assistant. The applicant submits that they are dissimilar to the opponent's Class 35 services. I shall, however, compare them to the opponent's *Computer software* in Class 9. Goods and services are different in their nature, but the opponent's goods are essential for the delivery of the applicant's services as they are likely to be delivered through some form of software that would enable the user to save and store information and that would perform the automatic checks on prices and offers. The average consumer would, in my view, expect the provider of the services also to supply the software required to perform the functions highlighted in the specification. In *MFS Africa*, BL O/531/22, Mr Thomas Mitcheson QC, sitting as the Appointed Person, made a similar finding with regard to a comparison between software and financial services, and noted in paragraph 21 of that decision that computer software is so ubiquitous in the present day that *Computer software* in general is likely to be similar to "*large swathes of goods and services in other classes*". I find that the goods and services are complementary. 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 or services.<sup>11</sup> I find that the goods and services are similar to a low degree.

36. The remaining services are the same services that can be found under Class 35 in the specification of **KARMAGIVES**. I therefore adopt my findings in paragraphs 21-29 above.

### Class 36

#### **KARMAGIVES**

37. The applicant's *Loyalty program payment processing services* are included in the opponent's *Financial and monetary services* and is identical per *Meric*.

38. The remaining services in this class relate to charitable fundraising and the administration of charitable contributions. The applicant submits that the opponent's

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<sup>11</sup> Paragraph 23.

services are “*clearly dissimilar*” to the applicant’s services as the latter “*are mainly focused on some kind of charity help which clearly is not related at all to any of the Opponent’s services in class 36.*”<sup>12</sup> The applicant’s services are not, however, charitable services themselves; rather, they are concerned with the raising and management of money which, in my view, places them within the broader term *Monetary services*. Consequently, I find them to be identical per *Meric*.

#### **KARMAPAY**

39. All the Class 36 services for this mark are forms of financial or monetary services, being concerned with providing loans and services related to payment cards. Consequently, I find that they are identical per *Meric* to the opponent’s *Financial and monetary services, and banking*.

#### **KARMASHOPPING**

40. The Class 36 services for this mark are identical to those for both **KARMAGIVES** and **KARMAPAY**. I therefore adopt my findings in paragraphs 37 to 39 above.

#### Class 42

41. All the services under this class are services for providing temporary use of online software for various purposes. I find that these services are included in the opponent’s broader *IT services* and so are identical per *Meric*.

#### Summary

42. I have found that all the contested goods and services are identical or similar to earlier goods and services, with the exception of the following:

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<sup>12</sup> Written submissions of 28 February 2023, paragraph 52.

| <b>Mark</b>          | <b>Services</b>                                                                                                                            |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>KARMAGIVES</b>    | <u>Class 35</u><br><i>Coordination of the procurement and distribution of in-kind donations and services.</i>                              |
| <b>KARMASHOPPING</b> | <u>Class 35</u><br><i>Charitable services, namely, coordination of the procurement and distribution of in-kind donations and services.</i> |

43. A finding of a likelihood of confusion under section 5(2)(b) requires the goods or services to be at least similar. The opposition therefore fails in respect of the services listed above.

#### ***Average consumer and the purchasing process***

44. 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.

45. The opponent submits that the average consumer is a member of the general public. The applicant submits that it may also be a business customer, and that the average consumer would be paying a very high degree of attention, arguing that they are very careful when they are shopping. I accept that for some of the services the average consumer would be paying a high degree of attention. This is because they are financial services or services directed towards charities and businesses that impact on those organisations' financial position. Where the Class 9 goods and Class 42 services are purchased by organisations, they would also be bought with a relatively high degree of attention, as the goods and services are likely to have a significant effect on the running of the business or the goods or services supplied. I can also accept that a member of the public who is sufficiently motivated to use software or online services to help them with shopping would be paying a higher than average

degree of attention, but I do not consider that this will be very high. The level of attention would not be as high as it would be for financial services.

46. The purchasing process will largely be visual, as the average consumer is likely to browse websites and may see other forms of promotional material advertising the goods and services. On all of these, the marks would be seen. However, the average consumer may receive advice from consultants or sales representatives, or other word-of-mouth recommendations. The sound of the mark is also likely to be important.

### ***Comparison of marks***

47. 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.”<sup>13</sup>

48. 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.

49. The respective marks are shown below:

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<sup>13</sup> Paragraph 34.

| Contested marks      | Earlier mark     |
|----------------------|------------------|
| <b>KARMAGIVES</b>    | <b>KARMACOIN</b> |
| <b>KARMAPAY</b>      |                  |
| <b>KARMACASH</b>     |                  |
| <b>KARMASHOPPING</b> |                  |

50. All the marks are a single word, created by juxtaposing the word “KARMA” with another. The opponent submits that “KARMA” is the dominant and distinctive element of each of the marks. Both parties agree that the word would be understood to refer to *“a situation in which things happen to someone as a result of their previous actions, or the force that makes this happen”*, even if they are unaware of its religious significance.<sup>14</sup> The applicant submits that this element is weak, as it suggests that *“what goes around will come around”* and that, in the case of the earlier mark, the consumer will be getting coins in return for doing a good deed or supporting a good cause.<sup>15</sup>

51. I agree with the applicant that it is necessary to look at each mark as a whole. In the case of the contested marks, the word “KARMA” at the beginning of the marks is joined with a word that is at least slightly allusive in the context of the goods and services for which registration is sought. The earlier mark is registered for more general goods and services, but in so far as those general goods and services include the contested goods and services, “COIN” is also at least slightly allusive to financial and monetary services, charitable fundraising, shopping and loyalty schemes. The overall impression of all the marks lies in the juxtaposition of “KARMA” with an at least slightly allusive word.

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<sup>14</sup> The definition is taken from the *Cambridge English Dictionary*, quoted in paragraph 12 of the opponent’s written submissions.

<sup>15</sup> Written submissions of 28 February 2023, paragraph 16.

## KARMAGIVES

52. The contested mark has ten letters, while the earlier mark has nine, with the first five being the identical “KARMA”. The average consumer tends to pay more attention to the beginning of words than to the end, although I acknowledge that this is not a hard-and-fast rule: see *El Corte Inglés SA v OHIM*, Joined Cases T-183/02 and T-184/02, paragraphs 81-83. I find that the marks are similar to at least a medium degree.

53. The contested mark and earlier mark would be articulated as “KAR-MAH-GIVS” and “KAR-MAH-COYN” respectively. Each mark has three syllables, with the first two being identical. I find that the marks are similar to a high degree.

54. The applicant submits that it is necessary to take into account the business model of the opponent when considering whether the marks are conceptually similar. It submits that this means that the message of the mark is that the user would get coins in exchange for doing something. I accept that the mark would be understood as a monetary payment received as a result of a previous action. The applicant also submits that the message of the contested marks is of “*a personal friend who helps the relevant public to find discounts and coupons online*”.<sup>16</sup> I find this argument a little hard to follow and it would, in my view, require a good deal of mental effort on the part of the average consumer to come to this conclusion. Such effort would not be consistent with how the case law tells us the average consumer views marks, namely, as a whole and without analysis of their details. Rather, I consider that the message conveyed by the contested mark would be the act of giving, or being given, something as a result of a previous action. The marks are therefore, in my view, conceptually highly similar.

## KARMAPAY

55. The contested mark has eight letters, as opposed to the earlier mark’s nine. As with all the contested marks, the first five letters are identical. I find the marks to be visually similar to at least a medium degree.

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<sup>16</sup> *Ibid*, paragraph 28.

56. The contested mark would be articulated as “KAR-MAH-PAY” and I find it to be aurally similar to the earlier mark to a degree between medium and high. This is because the first syllable begins with a softly explosive P, rather than the hard “G” and “C” in my earlier comparison.

57. The contested mark would be understood as a payment received as a result of a previous action and so is very highly similar to the earlier mark.

#### *KARMACASH*

58. The contested mark has the same number of letters as the earlier mark, and the first six are identical. I find the marks to be visually similar to a high degree.

59. The contested mark will be pronounced as “KAR-MAH-CASH”, with the same number of syllables as the earlier mark. The first two are identical and the last one begins with the same sound. I find that the marks are aurally highly similar.

60. As coins are a form of cash, I find that the marks are conceptually identical.

#### *KARMASHOPPING*

61. The contested mark has thirteen letters, so is noticeably longer than the nine-letter earlier mark. Again, the first five letters are identical. I find the marks to be visually similar to no more than a medium degree.

62. The contested mark will be pronounced as “KAR-MAH-SHOP-ING”. Uniquely among the contested marks, the number of syllables is four, which contrasts with the three syllables of the earlier mark. I find that the marks are aurally similar to no more than a medium degree.

63. The contested mark will in my view be understood to refer to the act of shopping for goods and services with an eye to the consequences of any choices and how they might be visited upon the consumer. The concept of “KARMA” is common to both the contested and the earlier mark, and I agree with the opponent that there is a connection

between “SHOPPING” and “COIN”, as the latter may be used to pay for any purchases. I find that the marks are conceptually similar to between a medium and high degree.

***Distinctive character of the earlier mark***

64. In *Lloyd Schuhfabrik Meyer*, 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).”

65. 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.

66. The opponent has filed no evidence to show how the earlier mark has been used, and so I have only the inherent position to consider.

67. The earlier mark is, in my view, mildly allusive for the services that are associated with customer loyalty schemes, as the consumer would expect to receive some reward based on their earlier purchases. However, the joining of the two words “KARMA” and “COIN” to create a neologism raises the distinctive character of the mark as a whole to a medium level. The mark is not allusive for the other goods and services and in this case, the juxtaposition of two understood words to form a new one raises the inherent distinctiveness of the mark to a level just above medium.

### ***Conclusions on likelihood of confusion***

68. 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.

69. At this point, I refer to the applicant’s submissions that there are at least 150 trade marks for identical or similar goods or services containing the word “KARMA”. In particular, the applicant lists five trade marks, including one that was filed on 22 March 2006 (UKTM No. 2417375, **KARMA CARD**). It submits that this shows that the word “KARMA” has been used for many years in connection with incentive and loyalty schemes for shopping. However, the existence of marks on the register does not show that they have been used on the market and even if this information had been filed as evidence in the proper form it would, by itself, be of no assistance to the applicant: see *Zero Industry Srl v OHIM*, Case T-400/06, paragraph 73. I shall say no more about it.

70. 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)."

71. 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."<sup>17</sup>

72. Earlier in my decision, I found that the average consumer would pay a higher than average degree of attention. With that in mind, I consider that the differences between the marks are such that the average consumer is unlikely to mistake **KARMASHOPPING** or **KARMAGIVES** for the earlier mark **KARMACOIN**. However, it is my view that the conceptual identity between **KARMACASH** and **KARMAPAY** and the earlier mark, **KARMACOIN**, when combined with the imperfect recollection of the average consumer, is likely to result in just such a mistake. I find that there is a likelihood of direct confusion for these two marks.

73. I shall move on now to consider whether there is a likelihood of indirect confusion. This occurs when the average consumer recognises that the marks are different but have something in common, and assumes that the contested marks come from the same, or a related, undertaking as the earlier mark. I found that the overall impression of the earlier mark lay in the juxtaposition of the word "KARMA" with a slightly allusive word. The contested marks also follow this pattern and the change of this second word would, in my view, be seen by the average consumer as a brand extension. I find that the average consumer is likely to be indirectly confused in respect of all four contested marks for all the goods and services that are still in play, even where the degree of similarity is only low.

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<sup>17</sup> Paragraph 12.

74. The oppositions are successful in respect of all the goods and services where I found similarity. The other earlier mark, **KARMAPOINT**, puts the opponent in no better a position, even if it survives the application for a declaration of invalidity. This is because the specifications of both earlier marks are identical.

## **OUTCOME**

75. Opposition No.429054 against Application No 3674876 is wholly successful and registration is refused.

76. Opposition No. 429062 against Application No. 3656463 is partially successful. The mark may proceed to registration for *Coordination of the procurement and distribution of in-kind donations and services* in Class 35. It is refused for all other goods and services.

77. Opposition No. 429070 against Application No. 3676371 is partially successful. Registration is refused for all goods and services other than *Charitable services, namely, coordination of the procurement and distribution of in-kind donations and services* in Class 35. I note that there is a further opposition pending against this application and so it is not yet possible to register the mark for the services that survived this opposition.<sup>18</sup>

78. Opposition No.429076 against Application No. 3674883 is wholly successful and registration is refused.

## **COSTS**

80. Both parties have enjoyed a measure of success in these proceedings, with the greater part going to the opponent, who is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice No. 2/2016. In making this award, I have taken account of the fact that the proceedings were consolidated after

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<sup>18</sup> OP 429045.

the filings of the defences and that the statements of grounds were largely identical.  
The cost award is calculated as follows:

*Preparing statements and considering the other side's statements: £300*

*Preparing written submissions: £300*

*Official fees (x4): £400*

***TOTAL: £1000***

81. I therefore order Shoptagr Ltd. to pay SWAPPOINT AG the sum of £1000. 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 31<sup>st</sup> day of August 2023**

**Clare Boucher,  
For the Registrar,  
Comptroller-General**