

O-0878-23

**TRADE MARKS ACT 1994
IN THE MATTER OF
TRADE MARK APPLICATION NO.3703001
BY PROZIS.COM,S.A.
TO REGISTER**

XCORE

**AS A TRADE MARK
IN CLASSES 5, 9, 25, 28, 29, 30, 31, 32 & 41
AND OPPOSITION THERETO (UNDER NO. 432120)
BY
APPLE INC.**

Background & Pleadings

1. PROZIS.COM, S.A. (“the applicant”) applied to register the trade mark **XCORE** on 28 September 2021. The application was made pursuant to Article 59 of the Withdrawal Agreement between the UK and the EU. Under the terms of that agreement, the applicant is entitled to rely upon the earlier EU filing date, namely 13 April 2020. The trade mark was published in the UK on 24 December 2021 in classes 5, 9, 25, 28, 29, 30, 31, 32 and 41. Only classes 9 and 41 form part of these opposition proceedings and the contested goods and services will be set out later in this decision.

2. Apple, Inc (“the opponent”) opposed classes 9 and 41 of the application under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opponent relies on the three UK registrations set out below.¹ The full list of goods and services will be set out later in this decision.

UK TM No.903399433	UK TM No.801479179	UK TM No.905669585
XCORE	CORE HAPTICS	CORE ANIMATION
Classes 9, 38 & 42	Class 9	Class 9
Filing date: 10 October 2003	Filing date: 17 June 2019	Filing date: 7 February 2007
Priority date: 12 June 2003	Priority date: 19 December 2018	Priority date: 7 August 2007
Registration date: 8 December 2006	Registration date: 7 January 2020	Registration date: 10 March 2008

¹ On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all rights holders with an existing EUTM. As a result of the opponent having an EUTM being protected as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable trade marks shown here are now recorded in the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and retain their original filing date.

3. Under section 5(2)(b), the opponent relies on all of the above earlier registrations and claims that there is a likelihood of confusion because the respective marks are similar, and the goods and services are identical or similar.

4. Under section 5(3), the opponent relies on TM No. 903399433 for **XCODE** and claims that it has a reputation for all of the goods and services under that registration and that use of the contested mark would take unfair advantage of or be detrimental to the reputation and distinctive character of the registration.

5. Under section 5(4)(a), the opponent claims use of the sign **XCODE** in the UK since 2003 for the goods and services set out in Annex 1 of this decision.

6. The opponent's above trade marks have filing dates that are earlier than the filing date of the applications and are therefore earlier marks, in accordance with Section 6 of the Act. As the registration procedures for UK TM Nos.903399433 **XCODE** and 905669585 **CORE ANIMATION** were completed more than 5 years prior to the filing date of the contested application, both are subject to the use conditions, as per section 6A of the Act. The opponent made a statement of use in respect of all the goods and services it relies on.

7. The applicant filed counterstatements for its applications and denied the grounds of opposition. However, in its written submissions dated 19 June 2023, it conceded that *software* in its class 9 specification was similar to the opponent's goods in class 9. The applicant also put the opponent to proof of use of its claims in relation to UK TM Nos.903399433 and 905669585.

8. The parties have been represented throughout these proceedings. The applicant by Withers & Rogers LLP and the opponent by Locke Lord (UK) LLP.

9. The opponent filed evidence and both parties filed written submissions in lieu of a hearing.

10. I make this decision based on a reading of all the material before me.

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Opponent's evidence

12. The opponent filed two witness statements dated 9 March 2023 in support of its case, both in the name of Thomas R La Perle, an Assistant Secretary and Senior Director in the opponent's legal department, managing its Trade Mark and Copyright group. The first witness statement focusses on the **XCODE** earlier registration and has 11 exhibits. The second witness statement sought to supplement details contained within the first witness statement and additionally provides information on the **CORE ANIMATION** earlier registration. This second witness statement has 4 exhibits.

XCODE

13. I will first summarise the evidence provided for the **XCODE** earlier registration. In his first witness statement Mr La Perle states that **XCODE** is the opponent's Integrated Development Environment ("IDE") which is a "set of powerful developer tools that provides significantly faster turn around times for developers creating applications for Mac OS X". The term "Mac OS X" relates to the operating system for the opponent's Mac computers. Mr La Perle states that **XCODE** was first unveiled by the opponent in June 2003 at its Worldwide Developers Conference and was then released to the public in September 2003.² In 2003 there were 7 million active users of the Mac OS system. By 2018 there were 100 million users worldwide.³ The most recent iteration of **XCODE** was released in September 2022 and Mr La Perle exhibits various press releases and website pages using the Wayback Machine Internet archives dated between 2003 and 2020 of previous **XCODE** releases.⁴ Moreover Mr La Perle states that whilst some consumers may

² Exhibit TLP1

³ Exhibit TLP2

⁴ Exhibit TLP3

not download **XCODE** separately, they will nonetheless be aware of **XCODE** being the name of the IDE when new iterations of the Mac operating system are downloaded.

14. **XCODE** is available as a download from the opponent's App Store and Mr La Perle states that from 2014 to November 2020 approximately 400k downloads were made in the UK taken from just under 2 million downloads in Europe. A further 400k downloads were made in the UK between November 2020 and May 2022.

15. As **XCODE** can be downloaded for free, there are no sales figures as such. However, Mr La Perle gives the following figures for worldwide sales of Mac Computers which use the Mac operating system between 2010 and 2021 of which a "significant proportion" relate to EU member states which included the UK at that time. Mr La Perle further states that given the prevalence of Mac sales then **XCODE** would be known by a significant proportion of users and developers.

Year	Units sold	Net sales
2010	13.6m	\$17.4bn
2011	16.7m	\$21.7bn
2012	18.1m	\$23.2bn
2013	16.3m	\$21.4bn
2014	18.9m	\$24bn
2015	20.5m	\$25.4bn
2016	18.4m	\$22.8bn
2017	19.2m	\$25.8bn
2018	18.2m	\$25.4bn
2019	No figures given	\$25.7bn

2020	No figures given	\$28.6bn
2021	No figures given	\$35.2bn

16. Mr La Perle also states that between 2012 and 2021, sales in Europe which include the UK accounted for approximately 22-25% of the opponent’s business.

17. Mr La Perle also exhibits a number of media articles related to **XCODE**.⁵ These comprise:

- A blog from <https://martiancraft.com>, dated January 2022, entitled “XCODE through the years”. This article is illustrated by a photograph of a CD-Rom containing the mark **XCODE** and a copyright symbol dated ©2005, viz



- A blog from <https://appleinsider.com>, dated 10 October 2022, entitled “XCODE”

⁵ Exhibit TLP11 Part 1 and Part 2

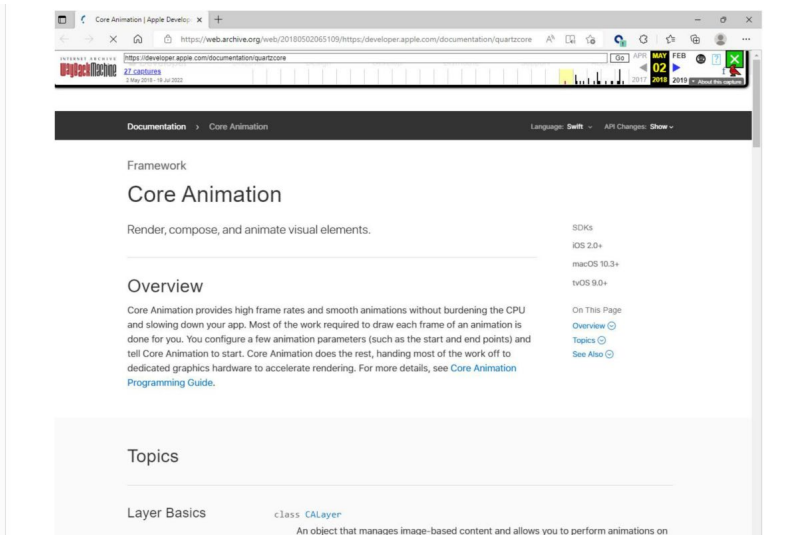
- An article from raywenderlich.com, dated September 2017, entitled “New Course: XCODE Tips and Tricks”.
- An article from the BBC News website, dated September 2015, entitled “Apple’s App Store infected with XCODE Ghost malware in China”.
- A blog from <https://hacknicity.medium.com>, dated June 2017 and updated in June 2019, entitled “Working with Multiple Versions of XCODE”.
- A blog from <https://appleinsider.com>, dated June 2008, entitled “Apple’s other open secret: the LLVM Compiler”. The **XCODE** mark is mentioned in the blog.
- An article from codemag.com, dated January 2018 and updated May 2021, entitled “Developer Update: iOS 11 and iPhone X”. The article mentions the **XCODE** mark.

CORE ANIMATION

18. I next summarise the evidence provided for the **CORE ANIMATION** earlier registration. In his second witness statement Mr La Perle states that this mark is used for “computer operating systems software used for creating and modifying images, graphics and animation from various media” and is used in the Mac operating system as well as in the opponent’s phone, tablet, watch and TV operating systems. The mark was first unveiled by the opponent in August 2006 at its Worldwide Developers Conference as part of the Mac OS X Leopard operating system, which was then released in October 2007 at a price of £89 per single user licence or £139 for a five user (family) licence.

19. Mr La Perle exhibits 4 screenshots using the Wayback Machine Internet archive,⁶ dated 2 May 2018, 10 February 2019, 5 September 2019 and 22 January 2020 taken from <https://developer.apple.com/documentation/quartzcore> showing the mark in use. An illustration of the 2 May 2018 screenshot is given below:

⁶ Exhibit TLP13



20. Finally Mr La Perle exhibits a number of media articles⁷ relating to CORE ANIMATION. These comprise:

- A press release from the opponent dated June 2015 announcing the release of its new operating system, OS X El Capitan; which included new functionality for **CORE ANIMATION**.
- A transcript of a presentation delivered (and streamed) in March 2017 by Tim Oliver at an event called Try! Swift Toyko. The transcript appears on <https://academy.realm.io>. The presentation is entitled “Advanced Graphics with Core Animation”.
- An introduction to Core Animation taken from <https://developer.apple.com> dated 10 October 2022
- A blog article dated September 2021 from www.mobindustry.net entitled “Introduction to Core Animation: Step-by-step Guide”.
- A blog article dated March 2019 from <https://fassko.medium.com> entitled “What is Core Animation”.
- An article from <https://appleinsider.com>, dated September 2021, entitled “Apple says iPhone 13 Pro ProMotion available to all apps, fix for Core Animation issue coming soon”.

21. This concludes my summary of the evidence.

⁷ Exhibit TLP15

Proof of use provisions

22. The relevant statutory provisions for proof of use are as follows:

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

- (a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

23. Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

24. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use

in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

Relevant period

25. My first task is to establish whether, or to what extent, the opponent has shown genuine use of the earlier marks within the 'relevant period'. The relevant period is defined as being a period of five years ending with the filing date of the contested application. In this case the relevant period is 14 April 2015 to 13 April 2020.

Sufficiency of use for XCODE

26. Much of the evidence provided by Mr La Perle centred on the ubiquity of the opponent in the computer market. The turnover of the opponent is now in the billions of dollars. I am aware, from my own experience, that new product announcements by the opponent attract a very high level of global interest. The evidence indicated **XCODE** is currently on version 14.1b2 but between 2015 and 2020 the version numbers jumped from 6.2.0 to 12.0b2. without explanation. I note the download figures provided for **XCODE** software tools in the UK are in the hundreds of thousands during the relevant period. Although **XCODE** can be downloaded for free, and therefore does not generate sales of its own accord, it is an inherent part of the opponent's operating system and therefore integral to the opponent's goods. I note the evidence contains some material dated outside of the relevant period and also contains references to websites suffixed as ".com" which may not be directed at the UK or other EU territories. Nevertheless given the consumer base in those territories, it is reasonable to assume that a significant proportion of consumers will have encountered the relevant content. Overall I find the evidence provided shows that the opponent has made genuine use of the mark in relation to software for operating systems during the relevant period and in the relevant territories.

Sufficiency of use for CORE ANIMATION

27. As per the paragraph above, I note the dominant position of the opponent's goods in the computer and personal device markets. I find that **CORE ANIMATION** is an integral part of the opponent's operating system for use in creating and manipulating graphic images. As such I find that the opponent has made genuine use of the mark in relation to software for use in graphics and images during the relevant period.

Framing a fair specification

28. The next stage is to decide whether the opponent's use entitles it to rely on all of the goods for which it made a statement of use. In framing a fair specification, I rely on guidance given in the following judgments. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*⁸, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

29. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors*⁹, Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

⁸ BL O/345/10

⁹ [2016] EWHC 3103 (Ch)

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

30. The goods and services for which **XCODE** is registered are set out at Annex 2 of this decision. With regard to framing a fair specification I find there is evidence to support *computer software and firmware for operating system programs and application development tool programs* as fair specification in class 9. I do not find there that any evidence was provided to support telecommunications and broadcasting services as registered for this mark in class 38. Nor do I find there was any evidence to support the software and hardware consultation services registered in class 42 save for the term *information relating to software provided on-line from a global computer network or the Internet*.

31. With regard to **CORE ANIMATION**, I find there is evidence to support the specification as registered in class 9, namely *Computer operating system software used for creating and modifying images, graphics, and animation from various media*, as a fair specification in class 9.

Section 5(2)(b)

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

“5(2) A trade mark shall not be registered if because-

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

33. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V*, Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C3/03, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L.Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles:

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

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

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

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

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

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

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

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

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

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

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

Comparison of the goods and services

34. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*¹⁰, the court stated at paragraph 23 of its judgment that:

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

35. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case¹¹, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

¹⁰ Case C-39/97

¹¹ [1996] R.P.C. 281

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

36. I also find that the following case law is useful in these proceedings where in *Gérard Meric v Office for Harmonisation in the Internal Market (“OHIM”)*,¹² the GC stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

37. In *Kurt Hesse v OHIM*,¹³ the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

38. In *Sanco SA v OHIM*¹⁴, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of

¹² Case T- 133/05

¹³ Case C-50/15 P

¹⁴ Case T-249/11

examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amalia Mary Elliott v LRC Products Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

39. The goods and services to be compared are:

Opponent's goods & services for TM	Opponent's goods & services for TM	Opponent's goods & services for TM	Applicant's contested goods & services
903399433 XCODE	905669585 CORE ANIMATION	801479179 CORE HAPTICS	
<i>9: Computer software and firmware for operating system programs and application development tool programs</i>	<i>9: Computer operating system software used for creating and modifying images, graphics, and animation from various media.</i>	<i>9: Downloadable computer software development tools</i>	<i>9: Games software; Games software; Software; Smart bracelets; Connected bracelets [measuring instruments]; Watch straps for</i>

			<i>communicating data to other electronic devices.</i>
			<i>41: Education, entertainment and sports; Organisation, production and conducting of sports events and competitions; Vocational training (education); Entertainment, sporting and cultural activities; Arranging, organising and conducting of conferences, workshops, seminars, conventions, events and exhibitions; Arranging, organising and conducting of games, contests and competitions; Information relating to</i>

			<p><i>entertainment, education, recreation and sports, provided via the Internet and other communications networks;</i></p> <p><i>Education and entertainment services provided by means of radio, television, telephony, the Internet and on-line databases;</i></p> <p><i>Entertainment and education using electronic media, multimedia content, audiovisual content, films, engravings, images, photographs, illustrations, texts and information related thereto, all provided via the Internet and other communications networks;</i></p>
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			<i>providing interactive multi-player computer games via the internet and electronic communication networks; information and advisory and consultancy services for all of the foregoing</i>
<i>42: information relating to software provided on-line from a global computer network or the Internet</i>			

40. For the purpose of a comparison, it is appropriate to group related goods and services together, where they are sufficiently comparable to do so.¹⁵

Class 9

41. In its written submissions, the applicant conceded that its *software* was similar to the opponent's goods. I agree that under the *Meric* principle these goods are identical.

42. I find the applicant's term *Games software* can be considered both a finished article or can mean software to be used for building a user's own game. The opponent's terms *Computer operating system software used for creating and*

¹⁵ *Separode Trade Mark* decision, BL O-399-10 (AP)

modifying images, graphics, and animation from various media and *Downloadable computer software development tools* could also be used in creating or modifying gaming software. In my view whilst the nature and purpose of the respective goods may slightly differ, these goods can overlap in terms of users, being gamers or those developing games and trade channels such as app stores. I find there is also a degree of competition if a consumer can choose between a ready for play game or a build/modify program for a game. There may also be a degree of complementarity between the respective goods if software is necessary or essential for the use of the other. Taking all these factors into account I find there is a medium degree of similarity

43. The applicant's remaining goods in this class namely *Smart bracelets; Connected bracelets [measuring instruments]; Watch straps for communicating data to other electronic devices* are, in my view, pieces of wearable tech(nology). They are physical items which need to use or connect to software to function successfully for the purposes of data collection or monitoring. However I do not find that the nature or purpose of the respective goods is the same. The opponent's class 9 goods across all its earlier registrations contain software for developing functionality in a specific operating system whereas the applicant's goods are hardware pieces which use software to enable or record data functions. Moreover I do not find there is an overlap of user as the opponent's goods are for use by developers for the opponent's operation system and the applicant's users will be those end users who require data collection or monitoring from their wearable tech. There is no overlap of trading channels as the applicant's goods are physical items so not found in a downloadable app store. Nor do I find any competition between the goods. There may be some degree of complementarity as connective wearable tech will require software to function. As such the degree of similarity between the respective goods is very low.

44. I find only low similarity between the applicant's goods in class 9 and the opponent's surviving services in class 42. Information and the goods themselves have a different nature and purpose. There may be some overlap of users and trading channels which are likely to be in an app store as information is provided in the rubric to most downloadable apps. However there is no competition between the

goods and the services. There be some complementarity between the goods and services if consumers think that the responsibility for both the goods and services lies with the same undertaking as per *Kurt Hesse*. Therefore I find the degree of similarity between the respective goods and services is very low.

Class 41

45. The applicant's services in class 41 and the opponent's services in class 42 both contain the provision of information so share a similar nature. However the purpose is different as the information relates to separate areas namely education, entertainment, sporting and cultural activities on one hand and software on the other. There may be an overlap of user in that they are all members of the public but that is at too general a level for a finding of similarity. There is little crossover of trading channels beyond that the information is available from the internet and there is no element of competition or complementarity between the services. Overall I do not find any similarity between the applicant's services in class 41 and the opponent's services in class 42.

46. Where I have found the goods and services to be dissimilar, it follows that there is no likelihood of confusion to be considered. I am guided on this matter in the case of *eSure Insurance v Direct Line Insurance*,¹⁶ where Lady Justice Arden stated that:

“49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.”

Average consumer and the purchasing process

47. It is necessary for me to determine both who the average consumer is for the respective parties' goods and services and the manner in which these goods and

¹⁶ [2008] ETMR 77 CA

services are likely to be selected by the average consumer in the course of trade. It is settled case law that the average consumer is deemed to be reasonably well informed and reasonably observant and circumspect.¹⁷ For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question.¹⁸

48. The average consumers will be the general public and professionals such as software developers. The goods may be reasonably frequent purchases and there will be price variations for software and wearable tech. The purchasing process will be predominately visual as consumers will either visit physical premises or browse online sites, but an aural element cannot be ruled out through word of mouth recommendations or advice sought from sales staff. Where the average consumer is a member of the general public I consider that they would pay a medium degree of attention whilst purchasing. Where the consumer is a developer then a higher degree of attention will be paid.

Comparison of the marks

49. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*¹⁹, that:

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

¹⁷ *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch)

¹⁸ *Lloyd Schuhfabrik Meyer*, Case C-342/97.

¹⁹ Case C-591/12P

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

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

51. The respective trade marks to be compared are:

Opponent’s earlier registrations	Applicant’s mark
XCODE CORE ANIMATION CORE HAPTICS	XCORE

52. The opponent’s 903399433 mark consists solely of the word **XCODE**, its 905669585 mark consists of the words **CORE ANIMATION** and its 801479179 mark the words **CORE HAPTICS**. None of the marks contain any additional matter such as stylisation. The overall impression of **XCODE** derives solely from this word. As far as the two CORE- formative marks are concerned, the words ANIMATION and HAPTICS are meaningful in relation to computer software tools, therefore play a lesser role than CORE in the overall impression of these marks.

53. The applicant’s mark consists of the word **XCORE** with no other stylisation. Therefore the overall impression derives solely from this word.

Visual, aural and conceptual comparison of XCODE and XCORE

54. In a visual comparison the respective marks share four of their five letters. Both marks begin with the letters X-C-O and both end with an E. The marks differ only in the fourth letter where the opponent has a D and the applicant an R. Taking these factors into account, I find there is a medium degree of visual similarity.

55. In an aural comparison I find the beginnings of the marks, namely the X will be pronounced identically in both cases with an EX sound but the remaining elements CODE and CORE have found different sounds when spoken. Overall I find there is a low degree of aural similarity.

56. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.²⁰ The respective marks in this comparison are invented words with no meaning. In its written submission,²¹ the applicant contends that consumers may understand the dictionary meanings of the CORE and CODE elements of the marks, in which case those meanings are different to each other. I agree with that submission, and overall I find that the marks are conceptually dissimilar.

Visual, aural and conceptual comparison of CORE ANIMATION and XCORE

57. In a visual comparison the respective marks share the word CORE. In the applicant's mark it forms four of the five letters making up that mark. In the opponent's mark it is the entire first word. The points of difference are the additional letter X which precedes the applicant's mark and the additional word ANIMATION in the opponent's marks. Neither of which have a counterpart in the other mark. Overall I find there is no more than a medium degree of visual similarity.

58. In an aural comparison, I find the applicant's mark will be pronounced as EX-CORE and the opponent's marks will be given their usual pronunciation. The respective marks will coincide in the pronunciation of CORE. Overall I find there is a lower than medium degree of aural similarity.

59. With regards to a conceptual comparison, I find that the applicant's mark will be regarded as an invented word with no concept of its own, but the CORE element may be understood by some consumers as its dictionary definition meaning the part of something central to its function. That same meaning will apply to the CORE element of the opponent's mark and the ANIMATION element will be given its usual

²⁰ This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

²¹ Paragraph 29

definition. So whilst not entirely grammatically correct the most likely concept of the opponent's mark would be that of an animation function in the core programming of a device. Overall I find the respective marks to be conceptually different with no shared concept.

Visual, aural and conceptual comparison of CORE HAPTICS and XCORE

60. The comparison of **CORE HAPTICS** and **XCORE** will follow largely the same path as the previous comparison with the opponent's **CORE ANIMATION** registration given it is structured in the same way, namely as a CORE formative mark. My visual and aural comparison finding here is the same as given above as the respective marks coincide on the same element, namely CORE.

61. The nature of the conceptual comparison changes only to the extent that HAPTICS means the tactile response of technology such as touch or vibration. So consumers will see the mark **CORE HAPTICS** as meaning haptic functionality in the core programming of a device. I make the same finding that these respective marks are conceptually different.

Distinctiveness of the earlier marks

62. The degree of distinctiveness of the earlier marks must be assessed. This is because the more distinctive an earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion. In *Lloyd Schuhfabrik Meyer*²² the CJEU stated that:

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

²² *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97

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).”

63. Registered trade marks possess varying degrees of inherent distinctive character, perhaps lower where a mark may be suggestive or allusive of a characteristic of the goods or services, ranging up to those with high inherent distinctive character, such as invented words which have no allusive qualities.

64. I begin by considering the inherent position in relation to each of the earlier registrations.

65. Taking **XCODE** first, it is an invented word but contains “code” which is meaningful in relation to software. Overall I find at best it has a medium degree of inherent distinctiveness.

66. The registrations **CORE ANIMATION** and **CORE HAPTICS** both contain as their second element a word descriptive of types of software functionality. The word CORE itself may be seen as meaning something central to functionality. Overall I find these two earlier registrations have a low level of inherent distinctiveness.

67. Although evidence was provided in these proceedings for **XCODE** and **CORE ANIMATION**, the opponent provided written submissions for enhanced distinctiveness because of use only for **XCODE**.²³ I will therefore consider

²³ Written submissions dated 10 October 2022, paragraphs 39-51

enhanced distinctiveness relating to this earlier registration only. The relevant market for this consideration is the UK. Taking into account the *Chiemsee* factors given above, I note the evidence shows the mark has been in use as part of the opponent's computer operating system OS X since 2003. I also note from the evidence that approximately 64 **XCODE** releases have taken place since 2003 and that between 2014 and 2020 approximately 400,000 downloads of **XCODE** took place in the UK which breaks down to approx. 67k downloads per annum. No turnover figures were provided for **XCODE** per se, as the product is downloadable for free. No market share was provided. Given the opponent's prominence in the computer market, I find that a significant proportion of relevant consumers will identify the mark as signifying the opponent's goods. Overall I find that use of the mark **XCODE** has enhanced its distinctiveness to some extent but not to a high degree.

Likelihood of confusion

68. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them that they have kept in mind.²⁴ I must also keep in mind the average consumer for the goods, the nature of the purchasing process and have regard to the interdependency principle, i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa.

69. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related.

²⁴ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

70. In *L.A. Sugar Limited*²⁵, Mr Iain Purvis Q.C., (as he then was) 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 recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”.

71. However it is also settled case law that it is not sufficient to find a likelihood of confusion if a mark merely calls to mind another mark.²⁶ This is considered mere association not indirect confusion.

72. So far in this decision I have found that,

- The parties have some identical and similar goods in class 9 but there is a dissimilarity for the contested services
- Where the average consumers are the general public then a medium degree of attention in a predominantly visual purchasing process is paid, whereas a profession consumer will be paying a higher degree of attention
- For the **XCODE** and **XCORE** comparison, there was a high degree of visual similarity, a low degree of aural similarity and no conceptual similarity between the respective marks
- For the **CORE ANIMATION/CORE HAPTICS** and **XCORE** comparison, there was a lower than medium degree of visual and aural similarity, and a conceptual difference between the respective marks

²⁵ *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10

²⁶ *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

- **XCODE** is distinctive to a slight above medium degree.
- **CORE ANIMATION** and **CORE HAPTICS** are both distinctive to a low degree

Likelihood of confusion for XCODE and XCORE

73. Based on the marks and goods before me and taking into account the assessments made above, I find that there is a likelihood of direct confusion for those goods I have identified as identical and similar to a medium degree. There is a single letter difference between the marks and it is contained toward the end of the respective words. This single letter difference could be easily overlooked and lead to one mark being mistaken for the other as the consumer rarely has the chance to make direct comparisons between marks but instead relies on an imperfect recollection they have formed in their mind. I do not find there is a likelihood of direct or indirect confusion for those goods which are only similar to a very low degree.

Likelihood of confusion for CORE ANIMATION, CORE HAPTICS and XCORE

74. These respective marks all share CORE as an element but they are structured differently. In the opponent's marks, CORE is followed by a second word and in the applicant's mark it is preceded by a letter. I find the visual and aural differences are such that consumers are unlikely to directly mistaken one mark for another. Therefore I do not find a likelihood of direct confusion.

75. Having found that there is no likelihood of direct confusion, I now consider whether there is any indirect confusion. I remind myself of the guidance given in *L.A. Sugar* that indirect confusion requires a consumer to undertake a thought process whereby they acknowledge the differences between the marks yet attribute the common element to a shared undertaking, taking the later mark to be a possible brand extension or sub brand of the earlier mark. However I am also alert to the guidance in *Duebros* that a finding of indirect confusion should not be made simply because two marks share a common element.

76. Given that both the opponent's earlier registrations are structured as CORE plus an additional element following, then the structure of the applicant's mark being

CORE plus a letter preceding it is unlikely to make a consumer think the goods came from the same or connected undertakings. It would be unusual for a sub brand to adopt an entirely different construction. If one mark is brought to mind by the other on the basis of the shared element CORE then I consider this to be mere association and not indirect confusion as per *Duebros*. Consequently I find that there is no indirect likelihood of confusion between these respective marks.

77. The opposition succeeds in class 9 for some goods under section 5(2)(b) for the earlier registration **XCODE** but for those goods and services which have survived the 5(2) ground, I will go on to consider the other pleaded grounds.

Section 5(3)

78. The opponent opposes the contested trade mark under Section 5(3) of the Act on the basis of its earlier mark **XCODE** and the goods and services for which it claims have a reputation. In particular the opponent argues

“...as a result of the similarity of the Sign and the **XCODE** Mark, the use without due cause of the Sign would take unfair advantage of, or be detrimental to, the distinctive character or repute of the Opponent's **XCODE** Mark.”

79. I note the guidance in Tribunal Practice Notice 2/2020 titled “End of Transition Period – impact on Tribunal Proceedings”, that where a reputation of a comparable mark falls to be considered before IP Completion day (31 December 2020), use of the corresponding EU Trade Mark will be taken into account in determining whether the comparable mark had a reputation at the relevant date which in this case is the applicant's filing date of 13 April 2020.

80. Section 5(3) of the Act states:

“5(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, [...] shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark

without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

81. Section 5(3A) of the Act states:

“Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

82. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case C-252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C-383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there

is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oreal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oreal v Bellure NV*, paragraph 44.

(j) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial

compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

83. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its mark is similar to the applicant's mark. Secondly, that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the later mark. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

84. From my summary of the opponent's evidence I found that the primary consumers for XCODE are developers. The opponent states that between 2014 to November 2020 there were almost 2 million downloads of XCODE in Europe. Whilst some of the downloads will have taken place after the applicant's filing date, I accept that the downloads up to April 2020 must still have been a significant number. The opponent further states that approximately 22-25% of its business was generated in Europe between 2012 and 2021. Again whilst the 2021 figure is after the applicant's filing date, I still draw the conclusion that just over one fifth of the opponent's global business was consistently generated in Europe up to 2020. I also note the opponent's point that whilst not all consumers would necessarily download XCODE per se if they are not developers, they would download the new iterations of the Mac operating system and be aware that XCODE is an integral part of that operating system. Therefore I find that significant proportion of consumers would be aware of

the earlier registration and as such the opponent has established a reputation for *computer software and firmware for operating system programs and application development tool programs* in class 9 and *information relating to software provided on-line from a global computer network or the Internet* in class 42

Link

85. Having found that the opponent has established the requisite reputation, I will go on to make the assessment of whether the public will make the required mental 'link' between the marks, taking account of all relevant factors. The factors identified in *Intel* (underlined below) are:

The degree of similarity between the conflicting marks

86. For the reasons given previously I find there is a medium degree of visual similarity, a low degree of aural similarity and conceptual dissimilarity.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

87. The opponent has established a reputation for operation system software and information on such software. Whereas the applicant is seeking to register its mark in class 9 for software and wearable tech and in class 41 for, broadly speaking, the provision of education, entertainment, sporting and cultural events. I previously found there was similarity between the respective software goods, but not the wearable tech goods in class 9 or the services in class 41. The relevant section of the public will be developers and those users of the opponent's operating system. However I find there is an additional degree of closeness as such consumers will be aware of tech companies diversifying into personal smart device functionality and interoperability between various smart devices. This could extend into the wearable tech field.

The strength of the earlier mark's reputation

88. I found that the opponent's evidence has demonstrated a reasonable reputation for *computer software and firmware for operating system programs and application*

development tool programs in class 9 and *information relating to software provided on-line from a global computer network or the Internet* in class 42 in the UK based on the use shown.

The degree of the earlier marks' distinctive character, whether inherent or acquired through use

89. I found that the earlier mark is distinctive to a slightly above medium degree.

Whether there is a likelihood of confusion

90. Previously in this decision, I found there was a likelihood of direct confusion for the software goods in class 9.

91. Taking the above factors into account, I find that the required link will be made by consumers for the respective goods in class 9 based on the closeness between software and wearable tech. I do not find that a link will be made between the opponent's goods and the applicant's services as the provision of education, entertainment, sporting and cultural events are too dissimilar from the software goods of the opponent.

Damage

92. I next assess whether any of the pleaded types of damage will arise.

93. I bear in mind that unfair advantage has no effect on the consumers of the goods of the earlier marks, but instead the taking of unfair advantage of the reputation and distinctive character of earlier marks means that consumers are more likely to purchase the goods of the later mark than they would otherwise have done if they had not been reminded of the earlier marks.

94. In *Jack Wills Limited v House of Fraser (Stores) Limited*²⁷ Arnold J. (as he then was) considered the earlier case law and concluded that:

²⁷ [2014] EWHC 110 (Ch)

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

95. As set out above, I found sufficient evidence that the opponent enjoys a reputation for its goods. I have found that the respective marks differ only by a single letter there is a similarity of software goods in class 9 and a degree of closeness between software and wearable tech. As such there is the potential for the applicant to gain an unfair advantage which would be a commercial advantage, benefitting from the opponent's reputation without paying financial compensation and would therefore be likely to take unfair advantage of the earlier marks.

96. As damage is made out on the basis of unfair advantage, it is not necessary for me to go on and consider the other heads of damage.

97. The opposition is therefore successful under section 5(3) in class 9.

Section 5(4)(a)

98. The opponent opposes the application under Section 5(4)(a) of the Act on the basis of its alleged earlier rights in the use of the sign **XCODE** since 2003 for the goods and services set out in Annex 1 of this decision. It claims to have acquired

goodwill under this sign. Use of the applicant's mark in the course of trade "would have traded on the notoriety of the **XCODE** mark".²⁸

99. Section 5(4)(a) states:

"(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(a) [...]

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

100. In *Discount Outlet v Feel Good UK*²⁹, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per

²⁸ Statement of Grounds paragraph 15

²⁹ [2017] EWHC 1400 IPEC

Interflora Inc v Marks and Spencer Plc [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant date

101. In terms of the relevant date for assessment of this ground, in *Advanced Perimeter Systems Limited v Multisys Computers Limited*,³⁰ Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in *SWORDERS Trade Mark*:³¹

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

102. Therefore the relevant date here is the filing date for the contested mark namely 13 April 2020.

Goodwill

103. The first hurdle for the opponent is to show that it had the requisite goodwill at the relevant date and that the sign relied upon, **XCODE**, is associated with, or distinctive of, that business.

104. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one

³⁰ BL O-410-11

³¹ BL O-212-06

thing which distinguishes an old-established business from a new business at its first start.”

105. The opponent claims it has goodwill in the goods and services set out in Annex 1 of this decision. These goods and services broadly fall in to the categories of software goods themselves, telecommunications services and computer software services. Given my previous summary of the opponent’s evidence, I find that it has established sufficient goodwill for *computer software and firmware for operating system programs and application development tool programs and information relating to software provided on-line from a global computer network or the Internet.*

Misrepresentation

106. Having cleared the first hurdle of goodwill I go on to consider the second hurdle of misrepresentation. In *Neutrogena Corporation and Another v Golden Limited and Another*³², Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is “is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

³² [1996] RPC 473

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

107. On the subject of how many of the relevant public must be deceived or confused for the opponent to be successful in a claim under this ground, I bear in mind the decision in *Lumos Skincare Limited v Sweet Squared Limited and others*³³, where Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

108. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to find a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the claimant's actual business would be likely to be deceived.

109. So far I have found that the opponent has proved goodwill for the sign **XCODE** in respect of *computer software and firmware for operating system programs and*

³³ [2013] EWCA Civ 590

application development tool programs in class 9 and *information relating to software provided on-line from a global computer network or the Internet* in class 42. The respective signs are visually and aurally similar but conceptually dissimilar. The contested application contains goods which are identical and similar as well as dissimilar services. In terms of the goods I found to be dissimilar under the section 5(2)(b) assessment, I am alert to the fact that passing off can occur where there is no common field of activity. In *Harrods Limited v Harrodian School Limited*³⁴, Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

³⁴ [1996] RPC 697 (CA)

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

110. The opponent’s goods and services fall within the area of software for operating systems and information relating to same but which could extend to a related area of wearable tech such as smart bracelets as there can be diversification from software into other technical fields by means of the interoperability of devices. As such I find that there is likely to be an association in the minds of the public between the respective goods and services.

Damage

111. Having found that the goodwill and misrepresentation limbs of the test have been satisfied, it follows that damage to the opponent’s goodwill will arise, the most obvious example being the diversion of trade from the opponent to the applicant

112. In conclusion I find the case has been made out under section 5(4)(a) against the class 9 goods of the applicant.

Conclusion

113. The opposition has been partially successful and subject to any appeal against this decision the application is to be refused for the following goods:

Class 9: Games software; Games software; Software; Smart bracelets; Connected bracelets [measuring instruments]; Watch straps for communicating data to other electronic devices

114. The application can proceed to registration for the remaining classes namely 5, 25, 28, 29, 30, 31, 32 and 41.

Costs

115. The opponent has been partially successful, so it is entitled to a contribution towards the costs incurred in these proceedings. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2/2016. Bearing in mind the partial nature of its success and the guidance given in TPN 2/2016 I award costs as follows:

£200	Official fee for Notice of Opposition
£300	Preparation of statement & consideration of counterstatement
£500	Preparation of evidence
£400	Preparation of written submissions
£1400	Total

116. I order PROZIS.COM, S.A. to pay Apple Inc. the sum of £1400. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of September 2023

**June Ralph
For the Registrar
The Comptroller-General**

Annex 1

Goods and services claimed by the opponent in pursuit of section 5(4)(a)

Computers, computer hardware and computer software, parts and fittings for all the aforesaid goods; computer peripherals; integrated circuits; electronic publications (downloadable); computer hardware and computer software for database management; computer hardware and software for compressing decompressing digital media; computer programs; computer software and publications in electronic form (downloadable) supplied on-line from databases, from facilities provided on a global computer network or the Internet; interactive computer software, apparatus for searching electronic information from a global computer network or the Internet; magnetic and optical data carriers; data storage programs; servers; video-editing apparatus; audio-visual computer hardware and software; computer hardware and software of use in video editing; computer software for use in creating fonts and titles for film, video and multimedia; digital video recorders; video cameras; multimedia computer software; computer software for interactive games; data storage programs; computers, hand held computers, computer terminals, personal digital assistants, electronic organizers, electronic notepads, apparatus for recording, transmission and reproduction of sounds, images, or other data; magnetic data carriers; mobile digital electronic devices, telephones, computer gaming machines, microprocessors, memory boards, monitors, displays, keyboards, cables, modems, printers, videophones, disk drives, cameras; web developer software program; computer software, word processing software, prerecorded computer programs for personal information management, database management software, character recognition software, telephony management software, electronic mail and messaging software, paging software, database synchronization software, computer programs for accessing, browsing and searching online databases, computer software and firmware for operating system programs, data synchronization programs, and application development tool programs; electronic handheld devices for the wireless receipt, storage and/or transmission of data, particularly messages, and devices for keeping track of or managing personal information; software for the redirection of messages, Internet electronic e-mail, and/or data to one or more electronic handheld devices from a data store on or associated with a personal computer or a server; software for the synchronization of

data between a remote station or device and a fixed or remote station or device; computer hardware and peripherals; facsimile machines, answering machines, telephone-based information retrieval systems; adapters, adapter cards, connectors and drivers; blank computer storage media, fonts, typefaces, type styles in the form of recorded data; chips, discs and tapes bearing or for recording computer programs and software; random access memory, read only memory; solid state memory apparatus; electronic communication equipment and instruments; telecommunications apparatus and instruments; computer and electronic games; related computer equipment for use therewith; parts and fittings for all the aforesaid goods.

Communications and telecommunications services; provision of on-line communications services; communications via a global computer network or the Internet; electronic mail, message sending and receiving services; broadcasting services; provision of access to web pages; transmission and distribution of data or audio-visual images via a global computer network or the Internet; providing access to MP3 web sites on the Internet; delivery of digital music by telecommunications; providing access to digital music web sites on the Internet; leasing access time to a computer database; information, advisory and consultancy services relating to all the aforesaid; information about telecommunication; rental of message sending apparatus; rental of modems; rental of telecommunication equipment; rental of telephones; sending apparatus (rental of message -); telecommunication (Information about -).

Computer hardware and software consulting services; rental of computer hardware and software apparatus and equipment; multimedia and audio-visual software consulting services; computer programming; support and consultation services for developing computer systems, databases and applications; graphic design for the compilation of web pages on the Internet; information relating to computer hardware or software provided on-line from a global computer network or the Internet; creating and maintaining web-sites; provision of web-sites featuring multimedia materials; hosting the web-sites of others; information, advisory and consultancy services relating to all the aforesaid.

Annex 2

Goods and services registered under UK TM no.903399433 XCODE

Class 9: Computers, computer hardware and computer software, parts and fittings for all the aforesaid goods; computer peripherals; integrated circuits; electronic publications (downloadable); computer hardware and computer software for database management; computer hardware and software for compressing and decompressing digital media; computer programs; computer software and publications in electronic form (downloadable) supplied on-line from databases, from facilities provided on a global computer network or the Internet; interactive computer software, apparatus for searching electronic information from a global computer network or the Internet; magnetic and optical data carriers; data storage programs; servers; video-editing apparatus; audio-visual computer hardware and software; computer hardware and software of use in video editing; computer software for use in creating fonts and titles for film, video and multimedia; digital video recorders; video cameras; multimedia computer software; computer software for interactive games; data storage programs; computers, hand held computers, computer terminals, personal digital assistants, electronic organizers, electronic notepads, apparatus for recording, transmission and reproduction of sounds, images, or other data; magnetic data carriers; mobile digital electronic devices, telephones, computer gaming machines, microprocessors, memory boards, monitors, displays, keyboards, cables, modems, printers, videophones, disk drives, cameras; web developer software program; computer software, word processing software, prerecorded computer programs for personal information management, database management software, character recognition software, telephony management software, electronic mail and messaging software, paging software, database synchronization software, computer programs for accessing, browsing and searching online databases, computer software and firmware for operating system programs, data synchronization programs, and application development tool programs; electronic handheld devices for the wireless receipt, storage and/or transmission of data, particularly messages, and devices for keeping track of or managing personal information; software for the redirection of messages, Internet electronic e-mail, and/or data to one or more electronic handheld devices from a data store on or associated with a personal computer or a server; software for the synchronization of

data between a remote station or device and a fixed or remote station or device; computer hardware and peripherals; facsimile machines, answering machines, telephone-based information retrieval systems; adapters, adapter cards, connectors and drivers; blank computer storage media, fonts, typefaces, type styles in the form of recorded data; chips, discs and tapes bearing or for recording computer programs and software; random access memory, read only memory; solid state memory apparatus; electronic communication equipment and instruments; telecommunications apparatus and instruments; computer and electronic games; related computer equipment for use therewith; parts and fittings for all the aforesaid goods.

Class 38: Communications and telecommunications services; provision of on-line communications services; communications via a global computer network or the Internet; electronic mail, message sending and receiving services; broadcasting services; provision of access to web pages; transmission and distribution of data or audio-visual images via a global computer network or the Internet; providing access to MP3 web sites on the Internet; delivery of digital music by telecommunications; providing access to digital music web sites on the Internet; leasing access time to a computer database; information, advisory and consultancy services relating to all the aforesaid; information about telecommunication; rental of message sending apparatus; rental of modems; rental of telecommunication equipment; rental of telephones; sending apparatus (rental of message -); telecommunication (Information about -).

Class 42: Computer hardware and software consulting services; rental of computer hardware and software apparatus and equipment; multimedia and audio-visual software consulting services; computer programming; support and consultation services for developing computer systems, databases and applications; graphic design for the compilation of web pages on the Internet; information relating to computer hardware or software provided on-line from a global computer network or the Internet; creating and maintaining web-sites; provision of web-sites featuring multimedia materials; hosting the web-sites of others; information, advisory and consultancy services relating to all the aforesaid.