TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK REGISTRATION NO. 3567399 FOR

PhilzOps

IN THE NAME OF SHENZHEN LINKTOP IOT CO., LTD.

IN CLASS 11

AND

AN APPLICATION FOR INVALIDATION

UNDER NO. 505491

BY KONINKLIJKE PHILIPS N.V.

Background and pleadings

1. The trade mark shown on the cover page of this decision stands in the name of ShenZhen Linktop Iot Co., Ltd. ("the proprietor"). The mark was applied for on 14 December 2020 and entered in the register on 30 April 2021.

2. The registration covers the following goods:

   Class 11 Light bulbs; electric lamps; lamps; incandescent burners; discharge tubes, electric, for lighting; lighting apparatus and installations; lamp globes; lights, electric, for Christmas trees; electric lights for Christmas trees; street lamps; aquarium lights; light-emitting diodes [LED] lighting apparatus; fairy lights for festive decoration; string lights for festive decoration; floor lamps.

3. On 24 October 2022, Koninklijke Philips N.V ("the applicant") filed an application under section 47(2) of the Trade Marks Act 1994 ("the Act") to invalidate the proprietor's mark. The cancellation application, which is based upon section 5(2)(b) of the Trade Marks Act 1994 ("the Act"), is directed against all of the goods in the registration. The applicant relies upon the following UK trade mark:

   Mark: PHILIPS
   UK registration no. 00900205971
   Filing date: 01 April 1996
   Registration date: 22 October 1999
   Goods relied upon:
   Class 11 - Installations, devices, apparatus, instruments and articles for lighting; electric lamps; parts and accessories of the said articles not included in other classes.

4. The applicant argues that there is a likelihood of confusion, including a likelihood of association, because the respective marks are similar, and the

goods are identical or highly similar. The proprietor filed a counterstatement denying the grounds of cancellation.

5. The applicant is represented by Elkington & Fife LLP and the proprietor is represented by Carolina Sánchez Margareto. No hearing was requested and only the applicant filed submissions in lieu. This decision is taken after a careful review of all the papers filed by the parties.

6. 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. This is why this decision continues to make reference to the trade mark case-law of EU courts.

DECISION

Sections 47(2) and 5(2)(b)

7. Section 47. – […]

> (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-
>
> (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
>
> (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,
>
> unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

8. Section 5(2)(b) of the Act reads 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 of the part of the public, which includes the likelihood of association with the earlier trade mark".

9. The trade mark upon which the applicant relies qualifes as an earlier trade mark under section 6 of the Act. The trade mark has completed its registration process more than five years before the application date of the proprietor's mark and is subject to the proof of use provisions under section 6A of the Act. However, the proprietor has chosen not to put the applicant to prove use in respect of the goods relied upon in these proceedings. The applicant can, as a consequence, rely upon all of the goods it has identified.

Section 5(2)(b) – case law

10. 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 goods

11. When making the comparison, all relevant factors relating to the goods in the specification should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*, the Court of Justice of the European Union stated at paragraph 23 of its judgment:

> "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".

12. In *Gérard Meric v OHIM*, the General Court held that goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application - and vice versa.[1]

13. The respective parties' goods are as follows:

[1] case T-133/05

Applicant's goods	Proprietor's goods
Class 11 Installations, devices, apparatus, instruments and articles for lighting; electric lamps; parts and accessories of the said articles not included in other classes.	Class 11 Light bulbs; electric lamps; lamps; incandescent burners; discharge tubes, electric, for lighting; lighting apparatus and installations; lamp globes; lights, electric, for Christmas trees; electric lights for Christmas trees; street lamps; aquarium lights; light-emitting diodes [LED] lighting apparatus; fairy lights for festive decoration; string lights for festive decoration; floor lamps.

14. In its submissions, the applicant submits that the respective goods are identical.[2] The proprietor did not advance any arguments in respect of the identity or similarity between the goods. I will now proceed to compare the respective parties' goods.

15. Electric lamps and lighting installations are identically contained in both parties' specification.

16. Light bulbs; lamps; incandescent burners; discharge tubes, electric, for lighting; lighting apparatus; lamp globes; lights, electric, for Christmas trees; electric lights for Christmas trees; street lamps; aquarium lights; light-emitting diodes [LED] lighting apparatus; fairy lights for festive decoration; string lights for festive decoration; floor lamps in the proprietor's specification fall within the broad terms apparatus, instruments and articles of lighting in the applicant's specification. The respective goods are identical under the *Meric* principle.

17. I, therefore, find that all of the proprietor's goods are identical to the applicant' goods.

[2] Applicant's submissions, para 7.

The average consumer and the nature of the purchasing act

18. It is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which these goods are likely to be selected by the average consumer.

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

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median".

20. The average consumers of the conflicting goods comprise of members of the general public. The goods are most likely to be the subject of self-selection from retail outlets, websites or catalogues. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount an aural element to the purchase. The goods are unlikely to be subject to frequent purchases. Their price may vary, for example, light bulbs may be cheaper than floor lamps. When making a purchase, the average consumer may consider factors such as output, compatibility and safety, as well as energy consumption or cost. These factors suggest that the average consumer is likely to pay a medium degree of attention to the purchase process.

Comparison of marks

21. 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 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 paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

22. It would be wrong, therefore, artificially to 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.

23. The trade marks to be compared are as follows:

Proprietor's trade mark	**Applicant's trade mark**
PhilzOps	PHILIPS

24. The proprietor's mark comprises of the word "PhilzOps". Although the letter 'O' is presented in capital letters, the proprietor's mark is a word mark which means that the registration allows the proprietor to use the mark in upper case, lower case or any combination of the two. Keeping that in mind, I do not think the capitalisation of the letter 'O' will add any distinctive feature to the mark. I, therefore, find that the overall impression and the distinctiveness of the mark lies in the word of which the mark is comprised.

25. The applicant's mark is a word-only mark for PHILIPS. The overall impression and distinctiveness of the mark lies in the word of which the mark is comprised.

26. Visually, the respective marks consist of 8 and 7 letters. The proprietor's mark incorporates all of the letters in the applicant's mark and shares the first 4 and the last 2 letters. These similarities, particularly those at the beginning of the marks are likely to have a great impact on the average consumer.[3] In terms of difference, the proprietor's mark contains the letters 'z' and 'O' in the fifth and sixth position, while in the applicant's mark, it is the letter 'I' that is in the fifth position. Considering all these factors, I find that the marks are visually similar to a high degree.

27. The proprietor submits that the respective marks will be pronounced as 'Filips' and 'Filizops'.[4] The applicant also makes a similar submission, namely that the marks will be pronounced as 'FILIPZ' and 'FILLZOPZ'.[5] Notwithstanding the slight variation in how both parties think the marks are likely to be pronounced, there seems to be a common ground that the marks will be given a similar pronunciation both at the beginning and the end – 'Fil' and 'pz'. Considering these factors, I find that the marks are aurally similar to a medium degree.

28. As regards the conceptual comparison, the proprietor, in its counterstatement, submits that the marks create a different concept. However, the proprietor has not expanded on this submission to explain what concepts the marks evoke. The applicant, on the other hand, submits that the proprietor's mark is invented with no meaning and therefore, a conceptual comparison is not possible.[6] I agree with the applicant that the proprietor's mark is invented with no meaning. I also think that the applicant's mark is a surname. Other than the fact that the average consumer will perceive the applicant's mark as referring to an individual, it is unlikely to evoke any concept the consumer could associate

[3] *El Cortes Inglés v OHIM - González Cabello and Iberia Lineas Aéreas de España* (MUNDICOR) [2004] ER
II - 965, paragraph 81
[4] Proprietor's counterstatement.
[5] Applicant's submissions, para 11.
[6] *Supra*, para 14.

with.[7] On that basis, I find that the respective marks do not convey any conceptual message to the average consumer and the marks are conceptually neutral.

Distinctiveness of the earlier mark

29. The distinctive character of the earlier mark must be considered. The more distinctive it is, either inherently or through use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

[7] The General Court has upheld the view that a name (first name or a surname) which does not convey a 'general and abstract idea', and which is devoid of semantic content, lacks any 'concept'. *Luciano Sandrone v EUIPO* Case T-268/18 at paragraphs 85 and 86.

30. Invented words usually have the highest degree of distinctive character, while words which are allusive of the goods/services have the lowest. Distinctiveness can be enhanced through the use of the mark. The applicant has not filed evidence. So, I only have the inherent position to consider.

31. I have already concluded that the earlier mark refers to a surname but does not convey any meaning to the average consumer. The mark is not allusive in relation to the applicant's goods. On that basis, I find that the mark possesses a medium degree of inherent distinctive character.

Likelihood of confusion

32. In determining whether there is a likelihood of confusion, I need to bear in mind several factors. The first is the interdependency principle, i.e., a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the goods, and vice versa (*Canon* at [17]). As I mentioned above, it is also necessary for me to bear in mind the distinctive character of the applicant's trade mark, as the more distinctive the trade mark is, the greater the likelihood of confusion (*Sabel* at [24]). I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks, relying instead upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

33. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/services down to the responsible undertaking being the same or related).

34. The difference between direct and indirect confusion was explained in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, by Iain Purvis Q.C., sitting as the Appointed Person, where he 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.

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)”.

35. In its counterstatement, the proprietor submits:

> "The fact that the marks have different endings, are pronounced differently, and create a different concept with a different view, makes both sufficiently different as to have a peaceful coexistence in the market."

36. Earlier in the decision, I concluded that the marks are visually similar to a high degree, aurally similar to a medium degree and conceptually neutral. I found that the goods are identical and the earlier mark is inherently distinctive to a medium degree. I also concluded that the purchasing process will be dominated by visual considerations, and the consumer will pay a low to medium degree of attention to the selection of goods.

37. Although the marks are visually similar to a high degree and aurally similar to a medium degree, an average consumer paying a medium degree of attention to the purchase process is likely to notice the difference between the marks. The visual and aural differences introduced by the letters 'zO' in the proprietor's mark are unlikely to go unnoticed by an average consumer. Moreover, as one mark is a surname and the other is invented, the consumer is likely to remember that in imperfect recollection and would not mistake one mark for the other. I, therefore, find that there is no likelihood of direct confusion. I also find that there is no likelihood of indirect confusion as the difference between the marks is unlikely to be seen as indicating a brand extension. I, therefore, conclude that there is no likelihood of confusion under section 5(2)(b).

Conclusion

38. The application for invalidation fails and subject to any successful appeal, the registration will remain registered.

Costs

39. The proprietor has been successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. I award costs to the proprietor on the following basis:

Preparing a counterstatement and considering the application for invalidation:	£300
Total	£300

40. I, therefore, order Koninklijke Philips N.V. to pay ShenZhen Linktop Iot Co., Ltd. the sum of £300. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 27th day of October 2023

Karol Thomas
For the Registrar
The Comptroller-General