

O-1177-23

TRADE MARKS ACT 1994
IN THE MATTER OF
TRADE MARK APPLICATION NO.3613716
BY PATCH PLACES LTD
TO REGISTER

Patch

AS A TRADE MARK
IN CLASSES 35, 36, 37, 41, 42 & 43
AND OPPOSITION THERETO (UNDER NO. 427136)
BY
HOTPATCH LIMITED

Background and pleadings

1. Patch Places Ltd (“the applicant”) applied to register the trade mark **Patch** on 21 March 2021. The application was published in the Trade Mark Journal on 25 June 2021 in classes 35, 36, 37, 41, 42 and 43. Only the following services in classes 35, 36 and 41 are opposed:

Class 35: Office functions; Office functions services; Providing office functions; Hiring of office equipment; Leasing of office machines; Office machines (Rental of -); Rental of office machines; Hire of office machinery; Office machine rental services; Company office secretarial services; Rental of office equipment; Office equipment rental services; Hire of office equipment; Transcription of communications [office functions]; Appointment reminder services [office functions]; Rental [Office machines and equipment -]; Office management services [for others]; Appointment scheduling services [office functions]; Office administration services [for others].

Class 36: Rental of offices; Renting of offices; Leasing of offices; Letting of office space; Letting of office accommodation; Rental of office space; Leasing of office space; Rental of offices [real estate].

Class 43: Leasing of office furniture.

2. Hotpatch Limited (“the opponent”) oppose registration of the above services under sections 5(2) and 5(4)(a) of the Trade Marks Act (“the Act). Under section 5(2)(b) they rely on the following UK registration:

UK TM No. 3594569	Goods & services relied on
HOTPATCH HotPatch (series of two) Filing date: 12 February 2021 Registration date: 25 June 2021	9: Software application; software platform that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces; downloadable software applications that facilitates the provision of information, peer-to-peer

	<p>interaction and transactions, and the booking of temporary workspaces.</p> <p>35: Providing online business directories; providing online business directories featuring workspaces</p> <p>42: Providing a web site featuring the ratings, reviews and recommendations for commercial purposes posted by users; providing a web site featuring the ratings, reviews and recommendations of workspaces for commercial purposes posted by users.</p>
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3. The opponent's above trade mark has a filing date that is earlier than the filing date of the application and is therefore an earlier mark, in accordance with Section 6 of the Act. It has not been registered for five years or more before the filing date of the applications and, therefore, it is not subject to the proof of use requirements, as per section 6A of the Act.

4. Under section 5(4)(a) the opponent claims use of the sign **PATCH** throughout the UK since 2019 for the following goods and services

<p>9: Software application that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces; software platform that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces; downloadable software applications that</p>	<p>43: Rental of workspaces; rental of meeting rooms and offices; rental of workshops; rental of temporary workspaces, salons and offices.</p>
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facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces; None of the aforementioned goods being temporary solutions for dealing with broken software and/or viruses.	
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5. The applicant filed a counterstatement denying the opposition claims.

6. Both sides have been represented throughout these proceedings. The applicant is represented by Withers & Rogers LLP and the opponent by Swindell & Pearson Ltd. Both sides filed evidence and submissions in lieu of a hearing. I make this decision following a careful reading of all of the material filed.

DECISION

Section 5(2)(b)

7. 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.

8. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

9. The leading authorities which guide me are from the Court of Justice of the European Union ('CJEU')¹: *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 C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P 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 a mark as a whole and does not proceed to analyse its various details;

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

¹ Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts

(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 great degree of similarity between the marks, and vice versa;

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

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

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

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

Comparison of goods and services

10. With regard to the comparison of goods and services, in the judgment of the CJEU in *Canon*², the court stated at paragraph 23 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

² Case C-39/97

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”.

11. Jacob J (as he then was) in the *Treat* case³, identified the following factors as relevant for assessing similarity:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services
- c) The respective trade channels through which the goods or services reach the market
- d) 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;
- e) 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.

12. In addition I find the following case law to be relevant in these proceedings. In *Avnet Incorporated v Isoact Limited*⁴, Jacob J. (as he then was) stated that:

“In my view, specification for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance as it were, the core of the possible meanings attributable to the rather general phrase”

13. Also in *YouView TV Ltd v Total Ltd*⁵ Floyd J. (as he then was) stated that:

³ [1996] R.P.C. 281

⁴ [1998] F.S.R. 16

⁵ [2012] EWHC 3158 (Ch)

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

14. In *Kurt Hesse v OHIM*⁶, 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)*⁷, the General Court ("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".

15. The goods and services to be compared are:

Opponent's goods and services	Applicant's services
9: <i>Software application; software platform that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of</i>	

⁶ Case C-50/15 P

⁷ Case T-325/06

<p><i>temporary workspaces; downloadable software applications that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces.</i></p>	
<p><i>35: Providing online business directories; providing online business directories featuring workspaces</i></p>	<p><i>35: Office functions; Office functions services; Providing office functions; Hiring of office equipment; Leasing of office machines; Office machines (Rental of -); Rental of office machines; Hire of office machinery; Office machine rental services; Company office secretarial services; Rental of office equipment; Office equipment rental services; Hire of office equipment; Transcription of communications [office functions]; Appointment reminder services [office functions]; Rental [Office machines and equipment -]; Office management services [for others]; Appointment scheduling services [office functions]; Office administration services [for others].</i></p>
	<p><i>36: Rental of offices; Renting of offices; Leasing of offices; Letting of office space; Letting of office accommodation; Rental of office space; Leasing of office space; Rental of offices [real estate].</i></p>

<p><i>42: Providing a web site featuring the ratings, reviews and recommendations for commercial purposes posted by users; providing a web site featuring the ratings, reviews and recommendations of workspaces for commercial purposes posted by users.</i></p>	
	<p><i>43: Leasing of office furniture.</i></p>

Class 35

16. In its statement of grounds the opponent states that its term *Providing online business directories; providing online business directories featuring workspaces* is similar to the applicant’s class 35 services on the grounds that all are “office-based functions and services”. The nature of the opponent’s service is to provide business directories which in my view would be listing contact details for businesses which provide particular goods or services. I see the applicant’s services as those which support, run or equip a business. I find the nature and purpose of the respective services to be different although I accept that there may be an overlap in users if a customer for example uses a business directory to research potential providers of office machinery. Overall though, I find there is a low degree of similarity.

17. In its statement of grounds, the opponent further submits that its term *Providing a web site featuring the ratings, reviews and recommendations for commercial purposes posted by users; providing a web site featuring the ratings, reviews and recommendations of workspaces for commercial purposes posted by users* in class 42 is similar to the applicant’s class 35 services on the grounds that all are “office-based functions and services”. I note that the opponent’s class 42 services are providing a review and ratings website in particular for workspaces. As in the above paragraph, I find that the nature and purpose of the respective services are different but there may be an overlap of user who use a rating and review website before finding a business to provide office support services. Overall then I find there is a low degree of similarity.

Class 36

18. In its statement of grounds the opponent states that its term *software platform that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces* is highly similar to the applicant's services in class 36. The applicant's class 36 services are broadly either rental or leasing of office space. I find that whilst the nature of software which facilitates the booking of workspaces and a rental/leasing service are different, their purpose is somewhat shared in that both are related to the same subject matter, i.e. workspaces and office spaces. There is also likely to be an overlap of user for the respective goods and services and the software goods may have a degree of complementarity with the rental /leasing services as the former may be seen as having a close connection to the latter and may be assumed by customers to come from the same undertaking as set out in *Boston Scientific*. Taking this into account I find there is a medium degree of similarity between the opponent's stated goods and the applicant's class 36 services.

Class 43

19. The comparison between the applicant's class 43 services namely *Leasing of office furniture*, and the opponent's term *software platform that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces* is more tenuous. However there may be some crossover if the opponent's software for booking temporary workspace also allows for the booking of office furniture at the same time as there may be an overlap of user and a degree of complementarity. Overall I find there is low degree of similarity between the respective goods and services.

Average Consumer

20. I next consider who the average consumer is for the contested services and how they are purchased. It is settled case law that the average consumer is deemed to be reasonably well informed and reasonably observant and circumspect⁸. For the

⁸ *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)

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 question⁹.

21. The average consumer for the contested services are those who are seeking out a rental/leasing arrangement for office/work space and office furniture, as well as the provision of office services. That could be either an individual trader or a business. The services are likely to be bespoke depending on the consumer's requirements for a particular type or size of office space, and potential additional requirements for IT or office equipment provision. There will be a price consideration to take into account. For example there is a price variation between the rental of a desk in an existing space for a few days and the longer term commitment of a leasing situation. Overall I find this will be a considered purchase requiring at least a medium degree of attention. The purchasing process is likely to be predominantly visual as consumers may visit potential premises or view online images. I do not discount an aural aspect however as consumers may seek information from letting agents or other office service providers.

Mark comparisons

22. 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*¹⁰, 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

⁹ *Lloyd Schuhfabrik Meyer*, Case C-342/97.

¹⁰ Case C-591/12P

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

23. 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.

24. The respective trade marks to be compared are:

Opponent's mark	Applicant's mark
HOTPATCH HotPatch (series of two)	Patch

25. The opponent's mark comprises a series of two words, being HOTPATCH and HotPatch. The only difference between the first and second marks in the series is the use of upper and lower case letters. There are no other aspects to the marks such as stylisation and as such the overall impression is derived from a combination of the words 'hot' and 'patch' with neither dominating. As the only difference between the marks is the casing, I shall simply refer to the opponent's mark as HOTPATCH in the following comparison.

26. The applicant's mark consists of the word **Patch** in title case. The overall impression is derived solely from this word.

27. In a visual comparison the respective marks share the word PATCH. This is the entirety of the applicant's mark and the second element of the opponent's mark. The point of difference is the additional word HOT at the beginning of the opponent's mark which has no counterpart in the applicant's mark. It is settled case-law¹¹ that

¹¹ *El Corte Inglés, SA v OHIM*, Case T-39/10

consumers are more likely to pay attention to the beginnings of words rather than to the ends. Taking this into account, I find there is a medium level of visual similarity.

28. In an aural comparison, the shared element PATCH will be pronounced identically. The additional element HOT in the opponent's mark will be given its usual pronunciation. Overall I find there is a medium level of aural similarity.

29. Turning now to the conceptual comparison, it is settled case law that for a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.¹² In its written submissions the applicant contends that,

“the opponent's mark has no immediate meaning to the average consumers as it is not, when considered as a whole, a word with an established meaning.”

30. The opponent's mark is a conjoining of two known dictionary words, namely HOT and PATCH. It is my view that where an adjective and a noun are concerned, the former will act as a modifier of the latter. Therefore HOT acts as a modifier to the noun PATCH so that whatever image PATCH brings to the consumer's mind, it will have a quality of being HOT. I accept that some consumers may struggle to find a meaningful concept for the whole as suggested by the applicant. Alternatively the whole may lead others to an altered conceptual hook from the two separate word elements, even if that different concept has no apparent conventional meaning. In other words I find some consumers may lean toward a singular concept of HOTPATCH being a patch that is hot whilst others may not. However some consumers may regard the opponent's mark as an allusion to a desirable location. The applicant's mark is a known dictionary word which consumer will give its usual meaning and this will likely be the same meaning as the Patch element of the opponent's mark. Taking all this into account I find the respective marks are conceptually similar to a medium degree by virtue of the shared element.

¹² 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.

Distinctiveness of the earlier mark

31. The degree of distinctiveness of the earlier mark 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*¹³ 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).”

32. Registered trade marks possess varying degrees of inherent distinctive character starting from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, scaling up to those with high inherent distinctive character, such as invented words.

¹³ *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97

33. Although evidence was provided in these proceedings, it goes to the establishment of goodwill under section 5(4)(a) and no claim has been made that the evidence provided demonstrates an enhanced distinctiveness of the earlier mark through use. Therefore I am only considering the inherent position.

34. The earlier mark series **HOTPATCH/ HotPatch** are a conjoining of two known dictionary words. The whole has no descriptive meaning in relation to the goods or services for which the mark is registered but could be seen as allusive to a desirable patch of office space. Taking all this into account I find the earlier mark to be inherently distinctive to a medium degree.

Likelihood of confusion

35. 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 mind¹⁴. 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.

36. 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.

37. In *L.A. Sugar Limited*¹⁵, Mr Iain Purvis QC (as he then was), sitting as the Appointed Person, explained that:

¹⁴ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

¹⁵ *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10

“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.

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).”

38. Whereas in *Liverpool Gin Distillery*¹⁶, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that “a finding of a likelihood of

¹⁶ *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207

indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion”. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion. Moreover, it is not sufficient that a mark merely calls to mind another mark as set out in *Duebros*¹⁷. This is mere association not indirect confusion.

39. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU’s judgment in *Bimbo*, Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite

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

mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

40. During the course of this decision I have found that:

- The goods and services were similar to varying degrees
- The average consumer will pay a medium degree of attention during a predominantly visual purchasing process
- The respective marks are visually, aurally and conceptually similar to a medium degree
- The earlier mark is inherently distinctive to a medium degree

41. Considering direct confusion first, the respective marks clearly share the word element PATCH. Taking into account the case law relating to the beginnings of words and the notion of imperfect recollection, I find this similarity is outweighed by the difference, namely the additional element HOT, being the first element of the opponent’s mark, which in my view changes things sufficiently for the average consumer not to directly confuse the marks, that is to mistake one mark for the other even where the goods and services are considered similar to a medium degree at their highest. As such I do not find there is a likelihood of direct confusion.

42. Having found no likelihood of direct confusion, I now go on to consider the possibility of 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. 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.

43. The construction of the marks means that PATCH is the second element of the opponent's mark and the entirety of the applicant's mark. Essentially as previously set out, HOT is the adjective which describes a quality of the noun PATCH. As such as I do not find that HOTPATCH/HotPatch as a whole has a separate and distinct meaning from the individual word elements. As such I find that consumers may see PATCH and HOTPATCH/HotPatch as being brands from the same stable in respect of all of the applicant's services even where they share only a low level of similarity. Therefore I find there is a likelihood of indirect confusion

Conclusion on section 5(2)(b)

44. The opposition succeeds in its entirety under section 5(2)(b).

Section 5(4)(a)

45. 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) [...]

(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.”

46. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

47. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

48. In *Reckitt & Colman Products Limited v Borden Inc. & Ors*,¹⁸ Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, [the plaintiff] must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

¹⁸ [1990] RPC 341, HL, page 406.

49. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a

fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

Relevant date

50. In terms of the relevant date for assessment of section 5(4)(a), in *Advanced Perimeter Systems Limited v Multisys Computers Limited*,¹⁹ Mr Daniel Alexander QC (as he then was), sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in SWORDERS Trade Mark:²⁰

‘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.’”

51. The filing date of the application is 21 March 2021. As such, all factors will be assessed as at this date (“the relevant date”).

Evidential approach

52. I have read all the evidence and I will bear it in mind but I do not intend to summarise all of it here but instead will highlight those most pertinent dated exhibits which show use at the relevant date.

53. The opponent filed a witness statement and 92 exhibits in the name of Yasim Alimam, a director of the opponent. I note from the witness statement that Mr Alimam makes reference to use of HOTPATCH/HotPatch as well as to PATCH. To be clear, the relevant evidence I must consider under this ground must relate to the claimed sign PATCH.

¹⁹ BL O-410-11

²⁰ BL O-212-06

54. Mr Alimam describes the opponent's business in the following terms:

"...the service of allowing the sellers to advertise their 'Patch' of workspace for a buyer to obtain and of course the service of allowing the buyer to obtain the workspace made available to them. We invented the Trade Mark 'Patch' to act as a Trade Mark for people renting and offering workspaces, [...]. These workspaces include, inter alia, offices, meeting rooms, studios, salons and fitness spaces."

55. Mr Alimam goes on to state that the opponent first used the sign PATCH in 2019 for the following goods and services:

Class 9: Software application that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces; software platform that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces; downloadable software applications that facilitates the provision of information, peer-to-peer interaction and transactions, and the booking of temporary workspaces.

Class 35: Provision of ratings, reviews and recommendations for commercial purposes posted by users via a website; Provision of ratings, reviews and recommendations of workspaces for commercial purposes posted by users via a website; providing online business directories; providing online business directories featuring workspaces.

Class 42: Providing a web site featuring the ratings, reviews and recommendations for commercial purposes posted by users; providing a web site featuring the ratings, reviews and recommendations of workspaces for commercial purposes posted by users.

56. With regard to the relevant date, exhibits YA17 and YA18 both dated 16 December 2019 consist of requirement documents addressed to the opponent's

website developers with additional instructions on how the functionality of the website should work. This suggests that the website was not live and available to the consuming public in 2019. The first time the sign PATCH appears to have been used on the opponent's website was in January 2020²¹ where it is used as a hyperlink in the phrase "Add your Patch". I note that exhibit YA9 consists of a Facebook report dating from 1 November 2019 to 21 March 2021 but this is titled "HotPatch Report-Promotions" and does not contain any indication of the use of the sign PATCH.

57. Mr Alimam gives the turnover for 2020 as £605 and for 2021 as £3192.55, however he states that this is turnover generated under both the HotPatch mark and the PATCH sign and does not provide a breakdown as to how much turnover can be attributed to either the mark or sign. Clearly as the relevant date is 21 March 2021, only a proportion of the 2021 turnover can be reasonably assumed to have been generated in that period.

58. Likewise with regard to the advertising expenditure figures, which were £2511.98 in 2020 and £9319.72 in 2021, neither figure is broken down and attributed to either HotPatch or PATCH. The same considerations regarding what proportion of the 2021 advertising expenditure figure can be attributed to the period up to the relevant date must again be taken into account

59. At exhibit YA20 the opponent provides a breakdown of the 224 work spaces which were listed between 25 June 2020 and 18 March 2021. Mr Alimam states that at the relevant date the opponent's business had 413 users.

60. Mr Alimam also exhibits several online magazine articles about the opponent's business. Two exhibits are dated prior to the relevant date. The first article dated 14 February 2021²² was in thebarbermagazine.co.uk. It takes the form of an interview with Mr Alimam and contains several uses of PATCH, eg "Maybe it is time to find the right Patch?", "searching for a Patch" and one use of the plural namely "easier way to list and rent workspaces (or Patches as we like to call them)". The second article is dated January 2021 in Scratchnail magazine²³ and has a single use of the sign PATCH, namely "easier way to list and rent a workspace (or 'patch')".

²¹ Exhibit YA1

²² Exhibit YA10

²³ Exhibit YA12

61. Mr Alimam has exhibited many examples of the opponent's social media postings prior to the relevant date.²⁴ I do not intend to summarise every post, but I note there are posts taken from the Instagram, Facebook and Twitter platforms and for the most part the wording/images used on one post on one of those platforms is duplicated in a post on the other platforms. The opponent's handles for each platform is HotPatch. Uses of the sign PATCH vary from use in a sentence such as "searching for a Patch can be time-consuming"²⁵, questions such as "is this your Patch?"²⁶ or puns such as "Patch-22"²⁷.

62. The applicant filed a witness statement in the name of Frederic William Hynes Fforde, its founder. Mr Fforde attaches 10 exhibits. In short, he rebuts the claim that the opponent had acquired goodwill at the relevant date, by pointing out that very few people during the first period of national lockdown would be looking for work spaces. Mr Fforde also submits that screenshots, in particular on the TikTok and YouTube platforms, are dated after the relevant date, and therefore cannot be considered.

63. Mr Yasim Alimam acknowledges that TikTok and YouTube evidence were generated after the relevant date but argues that such evidence²⁸

"show a natural organic progression of the opponent's goodwill in the unregistered mark Patch and arguably sheds light backwards on how the goodwill has grown since before the relevant date".

Goodwill

64. The first hurdle for the opponents is to show that they had the required goodwill at the relevant date. The issue of what constitutes goodwill was discussed in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd*²⁹ viz,

"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 thing

²⁴ Exhibits YA22-YA69

²⁵ Exhibit YA30 – dated 6 June 2020

²⁶ Exhibit YA31 – dated 11 June 2020

²⁷ Exhibit YA61 – dated 8 October 2020

²⁸ Yasim Alimam second witness statement dated 4 June 2024

²⁹ [1901] AC 217 (HOL)

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

65. In *Smart Planet Technologies, Inc. v Rajinda Sharm*³⁰ Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

66. After reviewing the evidence relied on to establish the existence of a protectable goodwill, Mr Mitcheson found as follows:

“The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi’s witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of “reCUP” ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca’s Kitchen and Bakery.

³⁰ BL O/304/20

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. Recup obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

67. The relevant market for assessing goodwill is the UK. At the relevant date the opponents had been trading for approximately 14 months, i.e. starting with the date of January 2020 when the sign first appears on opponent's website which indicates that at that point the website was functional and therefore the goods and services were available to the consuming public. The turnover figure for the first full year of trading was £605 and some proportion of £3192.55 can be considered for the period January to March 2021. At the relevant date the opponent stated there were 413 users. It is not stated whether this is the number of users who have downloaded the software or users who have engaged in a work space transaction.

68. An additional difficulty with the opponent's evidence is that the sign PATCH appears to be a secondary presence to the house mark HotPatch. There is no evidence to suggest that the sign Patch is used solus without reference to HotPatch being the originator of the goods and services. In some instances on the opponent's website or in social media posts the word PATCH is used in the singular, in other places it is used in the plural, which does not assist with establishing that consumers see the word PATCH as a sign indicative of the opponent. Moreover in my view where the word is used in a phrase or sentence such as "where is your Patch?", I find the word itself ceases to stand out to the extent that consumers would see it as being somehow separate but instead merges into the sentence even though it may begin with a capital letter. As such, this use is more likely to be perceived as descriptive use rather than as an identifier of any goodwill.

69. Taking all the above factors into account, namely that the sign PATCH is not used solus and is frequently used in combination with other material which changes its meaning, the length of trading prior to the relevant date, the small turnover and the low volume of goods and services sold, and using the guidance given in *Smart Planet* regarding low levels of trade and turnover as well as the size of the market in comparison to the likely impact of the opponent's trade in that market, I find that the evidence provided is insufficient to demonstrate that the opponent had anything more than a trivial goodwill at the relevant date.

Conclusion on 5(4)(a)

70. I find the opponent has not been able to establish goodwill and therefore has failed at the first hurdle. The case has not been made out under section 5(4)(a).

Overall conclusion

71. The opponent has succeeded under its section 5(2)(b) ground but failed under section 5(4)(a). Subject to any appeal of this decision, the application should be refused for classes 35, 36 and 43. It can proceed to registration for classes 37, 41 and 42 which did not form part of these proceedings.

COSTS

72. As the opponent has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. I award the opponent the sum of £1600 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

£200 Official fee

£400 Preparing the statement of grounds & considering the counterstatement

£600 Preparation & consideration of evidence

£400 Preparation & consideration of submissions

73. I therefore order Patch Places Ltd to pay HotPatch Limited the sum of £1600. This sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an unsuccessful appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 13th day of December 2023

June Ralph

For the Registrar