BL No: O/164/21

TRADE MARKS ACT 1994

IN THE MATTER OF UK TRADE MARK APPLICATIONS 3366420 AND 3366423 BY NEXSTGO COMPANY LIMITED TO REGISTER THE MARKS

 **AND AVITA**

AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS THERETO NOS 416066 AND 416071 BY ALV GMBH & CO. KG

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF ANDREW FELDON DATED 2 APRIL 2020

DECISION

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1. This is an appeal from a decision of Mr Andrew Feldon, the Hearing Officer for the Registrar. He upheld the oppositions against two trade mark applications made by Nexstgo Company Limited ("the Applicant") which now appeals.

Background

2. The trade mark applications in question were filed on 11 January 2019. The applications were for the following goods:

> **Class 9:** Personal computers; Notebook computers, laptop computers; Tablet computers; Detachable/convertible laptop computers; Computer monitors; All-in-One personal computers; Computer Network Attached Storage (NAS) device; Smart phones; Smart watches; Loudspeakers; Computer peripheral devices; Parts, fittings and accessories for all the aforesaid goods.

3. Prior to the hearing of the appeal, the Applicant restricted its application to a narrower specification:

Class 9: Personal computers; Notebook computers, laptop computers; Tablet computers; Detachable/convertible laptop computers; Computer monitors; Computer peripheral devices.

In considering both the decision below and the appeal, I shall deal only with the parts of the specification which remain in issue.

4. Application No 3366420 was for the stylised mark AVITA.

Application No 3366423 was for the word mark AVITA.

5. ALV GmbH & Co. KG ("the Opponent") opposed the registration of both trade marks on the basis of section 5(2)(b) of the Trade Marks Act 1994, relying upon two earlier European Union Trade Marks both filed on 19 December 2018 and registered on 01 May 2019:

a. No 18002243

Avira

b. No 18002248

Avira

6. The specifications of the earlier marks included a range of software in Class 9:

Software; Mobile apps; Interfaces for computers; Recorded content; Computer software for application and database integration; Communication software; Antivirus software; Computer software for the creation of firewalls; Computer software, recorded; Computer software for authorising access to data bases; Software for network and device security; Computer application software; Downloadable computer security software; Software and applications for mobile devices; Network operating system programs; Computer utility programs [program performs computer maintenance work]; Computer firewall software; Authentication software; Computer programs [downloadable software]; Security software; Programs for smartphones;

Programs for computers; Computer software applications, downloadable; Application software for cloud computing services; Cloud computing software; Data processing programs recorded on machine-readable data carriers; Cloud network monitoring software; Computer programs, recorded; Firmware; Data recorded electronically; Computer software for the detection of threats to computer networks.

7. Neither party filed evidence. A hearing was held on 3 March 2020 at which both sides were professionally represented. The Hearing Officer handed down a written decision on 2 April 2020, in which he found that there was a risk of both direct and indirect confusion and upheld the opposition. The Applicant appealed, and at the hearing of the appeal was represented by Mr Chris Hall. The Opponent was represented by Mr Sam Carter. Neither of them appeared below.

Standard of appeal

8. The principles as to the standard of appeal are well established. It is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong.

9. In this case I have found it helpful to refer to the decision of Professor Johnson, sitting as the Appointed Person in O/669/19, *LIVING DREAMS*. He said:

> "4 … The relevant principles were set out by in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC and more recently by the Supreme Court in *Actavis Group PTC EHF v ICOS Corporation* [2019] UKSC 15. What is meant by a material error was explained by the Lord Carnworth in the Supreme Court in *R (R) v Chief Constable of Greater Manchester* [2018] UKSC 47, [2018] 1 WLR 4079 at paragraph 64:

> In conclusion, the references cited above show clearly in my view that to limit intervention to a "significant error of principle" is too narrow an approach, at least if it is taken as implying that the appellate court has to point to a specific principle—whether of law, policy or practice—which has been infringed by the judgment of the court below. The decision may be wrong, not because of some specific error of principle in that narrow sense, but because of an identifiable flaw in the judge's reasoning, such as a gap in logic, a lack of consistency, or a failure to take account of some material factor, which undermines the cogency of the conclusion. However, it is equally clear that, for the decision to be "wrong" under CPR r 52.11(3), it is not enough that the appellate court might have arrived at a different evaluation…

5. And, in *Z, R (On the Application Of) v London Borough of Hackney* [2019] EWCA Civ 1099 Lewison LJ at paragraph 66 highlighted that:

> It is not enough simply to demonstrate an error or flaw in reasoning. It must be such as to undermine the cogency of the conclusion. Accordingly, if there is no such error or flaw, the appeal court should not make its own assessment

6. Furthermore, it is well established that findings of fact before the Hearing Officer can be by way of judicial notice. As I said in *ELVIS JUICE* (O/105/18), paragraphs 13:

> Hearing Officers routinely rely on their own experience when making findings of fact. Indeed, as the quality of evidence filed by parties is sometimes so poor (or there is none at all), Hearing Officers are often compelled to make findings of fact without evidence at all as otherwise the outcome of oppositions might be arbitrary or capricious. For instance, in the instant case, a finding was made as to the usual places where the relevant goods are sold without any evidence being led…

7. In *O2 Holdings Ltd's Trade Mark Application* [2011] RPC 22, Daniel Alexander QC, sitting as the Appointed Person, explained at paragraph 60 how an appellate tribunal should treat such findings:

> In the context of an appeal, once an experienced Hearing Officer has made an evaluation, an appellate tribunal needs to have very sound reasons for substituting its own view and implicitly thereby saying that it is better equipped with knowledge of the relevant field of commerce to evaluate the mark than the Registrar.

8. More recently, the Supreme Court in *Perry v Raleys Solicitors* [2019] UKSC 5, [2019] 2 WLR 636 summarised at paragraph 52 the constraints on appellate tribunals interfering with findings of fact:

> They may be summarised as requiring a conclusion either that there was no evidence to support a challenged finding of fact, or that the trial judge's finding was one that no reasonable judge could have reached.

9. In cases where a Hearing Officer has made a finding of fact based on her own experience (in the absence of any evidence) the first of these limbs cannot apply (otherwise every single finding using judicial notice would be appealable). Such a finding can be overturned only where no reasonable Hearing Officer could have reached the decision. Where the trade mark relates to ordinary consumer goods, whether high or low value, this is an incredibly difficult standard to meet."

10. I have borne those principles in mind when considering this appeal.

Basis of the appeal

11. The Hearing Officer's main findings can be summarised as follows:

1) the Applicant had accepted that computer software and computer hardware are similar to a low degree, and the Hearing Officer found that software might share producers, distribution channels and end users with personal computers, laptops, etc and was complementary to them, making the goods similar to a low to medium degree;
2) the Hearing Officer found that "computer peripheral devices" could be used in conjunction with hardware, firmware and software and, for similar reasons, were similar to the Opponent's goods to a low degree;

3) the Hearing Officer found that the average consumer of software and computers might be a professional consumer or a member of the general public;
4) both types of consumer will generally purchase these goods from specialist retail outlets or websites, or from supermarket chains; the selection of the goods will be largely visual but also aural through discussions with sales assistants or experts;
5) the level of attention paid by both sets of consumers would be medium;
6) there was a medium degree of visual similarity between the earlier marks and the plain AVITA word mark, and a slightly less than medium level of visual similarity to the stylised AVITA mark; the marks were aurally similar to a high degree whilst the conceptual position was neutral;
7) the word AVIRA in the earlier marks had a higher-than-average degree of inherent distinctiveness;
8) direct confusion was likely to occur when the marks are the subject of a primarily aural selection process and indirect confusion was also likely to occur with the marks considered to be brand variations from the same or an economically linked undertaking.

12. In the parts of the Grounds of Appeal pursued at the hearing of the appeal, the Applicant submitted that the Hearing Officer had erred in:

a. his assessment of the degree of attention likely to be exercised by the relevant public; and
b. his assessment of the level of similarity of the parties' respective goods, which was insufficient to lead to a likelihood of confusion.

As a result, his assessment of the likelihood of confusion was flawed and should be revisited.

13. The Opponent filed a Respondent's Notice stating (in particular) that even if the Hearing Officer should have found that the relevant goods were subject to a high level of consumer attention this would not alter the overall conclusion that a likelihood of confusion exists between the marks.

Merits of the appeal

14. The Respondent submitted that the Grounds of Appeal were deficient in that they failed to identify any error on the part of the Hearing Officer. It seemed to me that there was some force in that point, and I did have some concerns that the Grounds appeared to do no more than set out some points on which the Applicant sought a rehearing, as opposed to a review of the decision below. However, I have concluded that the Grounds did at least identify one alleged error, namely an alleged inconsistency in the Hearing Officer's reasoning about the degree of attention likely to be displayed by the average consumer. The Respondent plainly anticipated that the Applicant was intending to rely upon this point at the appeal.

The level of attention of the average consumer

15. The pivotal point of the appeal was the Applicant's submission that the Hearing Officer had erred in his findings as to the degree of attention with which the average consumer would generally purchase its goods. The Applicant submitted that there was an inconsistency in the decision. This, it said, amounted to a critical error, led the Hearing Officer to reach a mistaken conclusion, and dictated a reassessment of the likelihood of confusion. It also said that the goods at issue on the appeal fall into two categories: computer hardware/computers of various kinds, and computer peripherals. The criticism of this aspect of the decision was, it said, stronger in relation to computers than to peripherals.

16. In its skeleton argument before the Hearing Officer, the Applicant had submitted that "… the average consumer would pay a higher-than-average degree of attention to [its] goods" because they were computers and other high-tech items, typically purchases that cost a significant amount and are liable to be purchased to last for a number of years.

17. In his decision the Hearing Officer held:

> "24. To my mind, the average consumer of software and computers, including peripherals and parts and fittings thereof; may be both a professional consumer and the general public.

25. Both types of consumer will generally purchase the goods at issue from specialist retail outlets and specialist websites online, although many of the goods can also be purchased from large supermarket chains. The selection of these goods will be largely a visual process, with the average consumer having taken time in the selection of the appropriate product through research online, perusing catalogues and other printed matter, but also aurally, through discussion with sales assistants and appropriate experts.

26. The Opponent stated in submissions that the average consumer of the goods at issue is deemed to be reasonably well informed, observant and circumspect. It added that the goods at issue cover a wide range of price points and attract an average degree of consumer attention.

27. Mr Hughes on behalf of the Applicant, stated during the hearing that computers prompt a higher than average degree of attention. He told me that often, computers will be listed on home insurance policies as specific items of value. He added that they involve a significant degree of expenditure and last a long time. Mr Hughes also claimed that consumers are more aware of the importance of cybersecurity. He added that it was obviously not the case that computers are the only goods at issue in this matter, however he felt that even peripherals that are going to be used with expensive items like computers would attract a degree of attention during the selection process. Mr Hughes stated that some items. e.g. a hard drive, would be installed or replaced by a professional rather than the average consumer. Therefore, he claimed that the average consumer would be paying a higher than average degree of attention.

28. Having considered the submissions put forward by both parties, I am not persuaded that the level of attention involved in the selection and purchase of the goods at issue would be any higher than average. The goods at issue are not necessarily expensive in today's market. Some years ago, I would agree with Mr Hughes, that a computer or laptop would be an expensive and well thought through purchase, however I find that not to be true today. It is the case for example, that many young people have their own tablet or laptop computer which they take into school and use daily, as a replacement for pen and paper.

> The goods at issue are everyday items, and I therefore find the level of attention paid by both sets of consumers to be medium."

18. On appeal, the Applicant submitted that the Hearing Officer had erred in his conclusions in paragraph 28 that computers are everyday items which would be bought with only a medium level of attention, as such conclusions were beyond the bounds of what a reasonable tribunal could have found. More particularly, it said that those conclusions were inconsistent with what the Hearing Officer had said in paragraph 25 as to the careful and informed manner in which the average consumer would purchase a computer, especially bearing in mind that this would typically be an infrequent and expensive purchase. Further, it submitted that the Hearing Officer had wrongly equated goods which are used every day to goods which are purchased every day.

19. The Applicant relied upon the decision of the General Court in Case T-525/09, *MIP Metro Group Intellectual Property GmbH & Co. KG v OHIM.* That case concerned an opposition to an application to register a mark for a variety of goods, including but not limited to computers, in Class 9. The appeal challenged a decision that there was no likelihood of confusion on the basis that the Board of Appeal had under-estimated the importance of the aural similarity between the marks. In a passage considering the relative importance of the visual and aural similarity of the marks, the Court referred to Case C-361/04 P *Ruiz-Picasso and Others* v *OHIM* [2006] ECR I-643, paragraph 39 and said:

> "38 In this case, it must be held, in particular in relation to the goods at issue, that the consumers will buy them after a comprehensive examination of their respective specifications and technical characteristics, firstly upon the basis of information that appears in specialist catalogues or on the internet, and then at the point of sale, which indicates that there will be a visual examination both of the goods and of the mark which they bear.
>
> 39 It must be stated that the goods at issue cannot be considered as being goods which may be purchased impulsively, but rather following a comparison between the various offers and after some reflection. The consumers referred to, whether

> they acquire those goods in shops or on the internet, will have the chance to compare them directly, in particular after their respective examinations.
>
> 40 The applicant itself acknowledged in the application, as well as in its response to the Court's questions during the hearing, that the goods at issue were not goods for everyday consumption, […].
>
> 41 In light of the foregoing, it must be held that the aural similarity is less important than the visual similarity, notwithstanding the fact that the public must rely on an imperfect recollection of the mark at issue. …"

20. The Applicant complained that in this case the Hearing Officer found at paragraph 25 that the choice of computers would be purchased after making a careful selection, yet he contradicted himself in paragraph 28, by saying that whilst in the past a computer would have been an "expensive and well thought through purchase", such was no longer the case. The Applicant submitted that the Hearing Officer should have found that purchasers would be vigilant when buying computers, in line with the *MIP Metro* case, and that conclusion would have flowed from his comments in paragraph 25.

21. It is of course well-established from *Ruiz Picasso* that the level of attention likely to be given by the average consumer to the choice of particular kinds of goods will depend upon the nature of the goods, their price, and whether they are of a technological character. However, in my judgment care must be taken in applying this guidance. First, as the Respondent reminded me, the relevant public to be taken into account for assessing a likelihood of confusion is composed of consumers likely to use both the goods or services covered by the mark applied for and the similar or identical goods or services covered by the earlier mark (see Case T-328/05 *Apple* ***Computer*** *v OHIM—TKS-Teknosoft (QUARTZ)* EU:T:2008:238 at [23]. Secondly, it is necessary to take account of the fact that many goods, even of a technological nature, may be sold at a wide variety of prices. A tribunal assessing the factors relevant to a likelihood of confusion will take into account the range of likely price points for goods, just as it will take into account different categories of purchasers, and must consider goods across the spectrum. Goods at the lower end of the spectrum in terms of price, technology

or complexity are liable to be bought by average members of the public with less care than more expensive goods.

22. The tribunal will also be entitled to bear in mind how the market in particular goods may develop over time. The Respondent submitted that the level of attention which an average consumer would give to the purchase of computer goods has changed since *MIP Metro* was decided in 2011, and in my judgment that point is reflected in Case T-21/20, *LG Electronics v EUIPO* [2021] ETMR 15 at paragraph 31), where the General Court held:

> "33. … it is apparent from the case law that, within the EU, computer hardware (computers, tablets, smartphones, and so on) and computer products (software and so on) correspond, for the most part, to standardised goods that are easy to use, are not highly technical and are widely distributed in all types of stores at affordable prices. To that extent, they are everyday consumer goods intended for the general public (see judgment of 17 February 2017, *GATEWIT (T-351/14) EU:T:2017:101* at [52] and the case law cited).
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> 34. In the present case, in the light of the case law cited in [29]–[31] and [33] above, it must be stated that the Board of Appeal correctly noted, in essence, in [24] of the contested decision, that, in the global assessment of the likelihood of confusion, account should be taken of the point of view of the average consumer from the general public, who is reasonably well informed and reasonably observant and circumspect.
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> 35. As regards, in the second place, the definition of the relevant public's level of attention, it should be borne in mind that, in the global assessment of the likelihood of confusion, account should be taken of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably observant and circumspect. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the goods or services in question (see judgment of 13 February 2007, *Mundipharma v OHIM—Altana Pharma (RESPICUR) (T-256/04) EU:T:2007:46* at [42] and the case law cited).

> 36. With regard to the average consumer's level of attention for goods in Class 9, it must be stated that, although the purchase price of some of the goods in that class may be relatively high and those goods may be subject to a period of use spanning several years, the majority of those goods are electronics aimed at the general public, which, nowadays, are relatively inexpensive, have a relatively short lifespan and do not require any particular technical knowledge (see, to that effect, judgment of 5 December 2017, *Xiaomi v EUIPO—Apple (MI PAD) (T-893/16) EU:T:2017:868* at [25]).
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> 37. In the present case, the goods concerned are generally used on a daily basis by the end consumer, their price is not relatively high and they do not require any particular technical knowledge (see, by analogy, judgment of 5 December 2017, *MI PAD (T-893/16) EU:T:2017:868* at [25]).
>
> 38. Consequently, the Board of Appeal was fully entitled to find, in the light of the case law cited in [35] and [36] above, that the level of attention of the average consumer from the general public was higher in relation to the relevant goods than in relation to everyday consumer goods, without, however, being particularly high."

23. The challenged finding in paragraph 28 that a computer will no longer necessarily be an expensive and well thought through purchase is consistent with *LG Electronics,* but I accept that it is hard to reconcile with what the Hearing Officer had said in paragraph 25 about the considered manner of choosing such products. However, he had also pointed out in paragraph 25 that such goods may be bought online, or from a supermarket, that is, from non-specialist outlets, and without the opportunity of taking advice even if they may still follow research by the consumer. The Hearing Officer did not say so in paragraph 25, but I think it more than likely than not that goods of this kind purchased from a supermarket would be likely to be at the lower end of the price and specification spectrum. That in my judgment explains the Hearing Officer's comment in paragraph 28 that the goods are not necessarily expensive in today's market. It seems to me that the Hearing Officer's reasoning in paragraph 25 would suggest that whilst some of the relevant goods would indeed be purchased with a higher-than-average level of attention, purchases made through non-specialist

outlets or without specialist advice, and at lower price points, might well require a rather lower level of attention.

24. The Applicant criticised the Hearing Officer for suggesting that its goods are everyday items and I agree that this point is also hard to reconcile with his view in paragraph 25 about the care with which such purchases would be made, although, again, it is consistent with *LG Electronics*.

25. Both in its submissions below and on the appeal, the Applicant accepted that rather different considerations applied to the computer peripherals in its specification, as such goods might well be cheaper (on the whole) than computers, and Mr Hall accepted that the Hearing Officer's conclusions about the average consumer of such goods was not such an obvious error. On the other hand, despite mentioning this point in paragraph 27, the Hearing Officer did not express any separate view about the level of attention with which computer peripherals would be bought.

26. It seems to me that taking paragraphs 24-28 together, the Hearing Officer considered that some of the goods would be purchased with particular care, but others would not. He had to take into account purchasers of the Applicant's computers and peripherals, as well as the Respondent's software, and could properly have found that different levels of attention would apply for each. With some hesitation, I have concluded that his finding that the level of attention which would be paid by both sets of consumers was medium was based upon his averaging out the goods purchased with higher levels of attention with those purchased with less attention. That was the Respondent's argument below, which the Hearing Officer recorded in paragraph 26 of the Decision. However, if that was his approach, unfortunately he did not make that plain.

27. I have considered carefully whether this is a case in which the Hearing Officer failed to express his reasoning clearly, rather than one in which he has erred, that is to say whether these potential inconsistencies and omissions affect the cogency of the Hearing Officer's conclusions. With a good deal of hesitation, I have concluded that

this is a case showing error rather than lacking clarity, so that I may substitute my own views on this point for those of the Hearing Officer.

28. So far as computers are concerned, it seems to me that plainly their cost and technical complexity may vary. Following the approach of the General Court in *LG Electronics,* I hold that the level of attention of the average consumer buying computers would be higher than in relation to everyday consumer goods, without being particularly high. As for the computer peripherals, and software, the Hearing Officer expressed no separate view. In my judgment whilst such items may vary in price, such that the care and attention of the average consumer may also vary, they are more like other everyday consumer goods, and overall the level of attention is medium rather than above average. Therefore, in assessing the likelihood of confusion, account must be taken of an average consumer applying either an average (medium) or above average level of attention, depending on the goods in question.

Similarity of the goods

29. The Applicant had conceded before the Hearing Officer that there was a low level of similarity between computer hardware and software. The Hearing Officer found at paragraph 17 of the Decision that the Applicant's computers were similar to the Opponent's software (including firmware) to a low to medium degree, as they could share producers, distribution channels and end-users or could be complementary. He found at paragraph 19 that its computer monitors and other peripherals were similar to the Opponent's software and firmware to a low degree, again as possibly sharing end-user and channels of trade or being complementary.

30. It seems to me that the Grounds of Appeal do not explain what error, if any, the Hearing Officer is said to have made in assessing the similarity of the goods. The Grounds simply say that the Applicant's goods are not similar enough to the Opponent's goods to lead to a likelihood of confusion and repeated various arguments deployed (and rejected) below. This was in essence an invitation for me to rehear the point, without any error being identified. Further, whilst I was addressed on certain

differences between computers and peripherals, as raising different points on similarity, the Hearing Officer did deal with the two categories of goods separately at paragraphs 17 and 19 of the Decision.

31. Indeed, at the hearing of the appeal, the point taken was not that the goods were not similar, or were similar to a lower degree than found by the Hearing Officer, but that they were not similar enough that the public would be confused. Mr Hall said there is a difference between the threshold test of some similarity of the goods, and the global assessment of the likelihood of confusion. In my view, the only point raised in the Grounds of Appeal is as to the global assessment carried out by the Hearing Officer. The Applicant has not identified any appealable error on this point.

The global assessment

32. The Applicant invited me to revisit the global appreciation of the likelihood of confusion rather than remit the case to the Registry. Mr Hall articulated the sort of analysis which he contended should be done, which turned very heavily upon his contention that the average consumer would be purchasing computers with a significantly higher-than-average degree of care. The Respondent criticised the analysis as inadequate or selective.

33. In my view, given my conclusions above, the appropriate course is for me to reconsider the Hearing Officer's reasoning at paragraphs 48 to 60 of the Decision in the light of my conclusion that the computer goods in the Applicant's specification would be purchased with an above average but not particularly high level of attention but otherwise upon the basis of the Hearing Officer's undisturbed findings. Having carefully considered the Hearing Officer's reasoning, it does not seem to me that allowing for that higher level of attention would preclude the likelihood of confusion which he identified at paragraphs 53 and 59 of the Decision.

34. In the circumstances, despite my findings at paragraph 28 above, the appeal fails.

35. The parties agreed that costs on the scale should follow the event. I will order the Applicant to pay the Respondent £1250 towards its costs of the appeal, to be paid together with the £900 costs awarded by the Hearing Officer by 4 pm on Friday 26 March 2021.

Amanda Michaels

The Appointed Person

11 March 2021

MR. CHRISTOPHER HALL (instructed by **Bird & Bird LLP**) appeared for the Appellant.

MR. SAM CARTER (instructed by **Freeths LLP**) appeared for the Respondent.