

TRADE MARKS ACT 1994

**In the matter of Application No. 2514537 by Bcrypt Limited
to register a device mark**

**And in the matter of Opposition no. 99246 by Portcullis
Computer Security Limited**

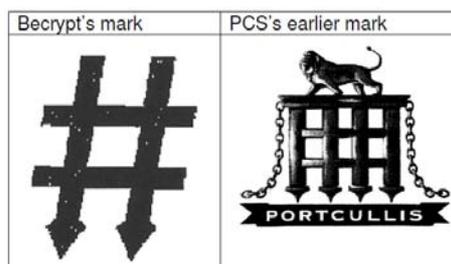
**And in the matter of an appeal from the decision of
Mrs A Corbett dated 16 June 2011**

DECISION

1. This is an appeal against a decision of Mrs A Corbett, the Hearing Officer for the Registrar, dated 16 June 2011, in which she rejected an opposition to the registration of a device mark (“the Bcrypt Mark”). The Opponent was Portcullis Computer Security Limited (“PCS”), the proprietor of several earlier registered device marks (“the PCS Marks”).

Background

2. Bcrypt Limited (“Bcrypt”) applied to register the Bcrypt Mark on 24 April 2009. The Bcrypt Mark is shown below on the left. The PCS Marks are three earlier UK trade mark registrations, nos. 1329991 (registered in 1989), 2351234 (registered in 2004) and 2449441 (registered in 2007), the latter each being for a series of two marks, one monochrome, one in colour. Each of the PCS Marks comprises a device of a portcullis, with a lion above it, and chains draped on each side of the portcullis, and the word ‘Portcullis’ written beneath it. One version of the PCS device is shown on the right below.



3. The goods and services in respect of which Becrypt sought registration are as follows:

Class 9 Computer software; computer firmware; computer programs; digital media; databases; electronic publications.

Class 42 IT consultancy services; design services; computer services; computer consultancy services; computer software consultancy; computer hardware consultancy; computer programming; computer systems design and development; computer systems analysis; research; design, creation and development of computer software; leasing, rental and hire of computer software; maintenance, updating and upgrading of computer software; computer software support services; design of data processing systems and data processing networks; providing data network services; conducting feasibility studies; conversion of data or documents from physical to electronic media; information, advisory and consultancy services relating to all the aforesaid services.

Class 45 Licensing of computer software.

4. The PCS Marks have differing specifications. No. 132991 is registered for computers, computing apparatus and computer programs (etc) in Class 9. No. 2351234 is registered for similar computer goods and for security apparatus (etc) in Class 9. No. 2449441 is registered for testing of security products, systems (etc) in Class 42.
5. Following the publication of the Becrypt Mark on 5 June 2009, PCS filed an opposition under section 5(2)(b) of the Trade Marks Act 1994. In Becrypt's counterstatement, it put PCS to proof of use of the 132991 mark.
6. Both sides filed evidence and skeleton arguments and were represented at a hearing before the Hearing Officer.
7. The Hearing Officer carried out her assessment of the potential conflict between the Becrypt Mark and PCS's Marks by reference to PCS's later registrations which were not subject to proof of use and which have the wider specification mentioned above. No criticism is made of the Hearing Officer's approach in so doing. She found many of the goods to be identical and the rest to be similar. Given the breadth of the Class 9 specifications, she found the average consumer to be the general public, save in respect of testing of security products, etc, which she considered would be used by a business. However, she went on to reject PCS's

opposition in full and that decision is appealed. The reason why she rejected the opposition arose from her views on the low level of similarity of the parties' respective marks, and the main issue on the appeal related to the manner in which she reached that conclusion

The Grounds of Appeal

8. The Grounds of Appeal raised three points of substance. First, PCS contended that the Hearing Officer erred in finding that the Becrypt Mark would be perceived as an abstract sign without meaning; it argued that she should have found that it would be perceived as a portcullis. This point was, in my view, the essential element of PCS's appeal. It was summed up in the opening remarks in Mr Malynicz's skeleton argument thus:

"whether the IPO should allow a mark to be registered for computer software, including security applications, when there is a reasonable prospect that that mark is likely to be seen by at least some people as a portcullis device, in circumstances where the appellant already has a prior and well-established business in the same area, and it also uses a portcullis device."

That summarised the essence of PCS's argument on the appeal: that the Hearing Officer had failed properly to assess both the aural and conceptual similarity between the marks, both of which PCS claimed would be seen as 'portcullis' devices. However, the question posed by Mr Malynicz would in my judgment arise only if the average consumer would identify the Becrypt Device as a portcullis, and, more particularly, that the Hearing Officer was wrong to find that the device would not be seen in that way.

9. Secondly, rather more particularly, PCS contended that the Hearing Officer erred, when considering how the marks would be perceived by the average consumer, in not taking into consideration circumstantial evidence, including evidence of the intention of Becrypt's design agency and of the categorisation of the mark by the trade mark examiner.
10. Thirdly, PCS submitted that the Hearing Officer erred in the overall assessment of the likelihood of confusion and especially as to the purchasing process.

Standard of the appeal

11. The parties agreed that this appeal is a review of the Hearing Officer's decision and that the hearing officer's decision involved assessments of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applied:

“In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.”

A decision does not contain an error of principle merely because it could have been better expressed.

Comparison of the marks

12. The Hearing Officer, having compared the various goods and services, identified the relevant average consumer in paragraphs 26-28 of her decision. She recognised the range of possible purchasers for the broad range of goods covered by the specifications, saying:

“26. Computers and their associated systems are ubiquitous and the average consumer of the goods of the application will be the general public. The general public is also the average consumer of the services of the application as applied for in classes 42 with the exception of *computer systems analysis, research, design, creation and development of computer software, design of data processing systems and data processing networks, providing data network services, conducting feasibility studies and conversion of data or documents from physical to electronic media* which are services more likely to be used by a business. ... *licensing of computer software* as a service of itself in class 45 is more likely to be a service used by a business producing software.

27. The goods of the earlier mark (2351234) are also used by the general public. Whilst many members of the public would use e.g. software to provide e.g. firewalls, anti-spyware or other anti-virus protection, the

testing of security products, systems, networks, installations as a service of itself is more likely to be one used by a business.

28. All of the goods and services are likely to be an irregular purchase with costs ranging from perhaps a few pounds for an off-the-shelf simple program to many thousands (perhaps hundreds of thousands) of pounds for the development, installation, maintenance and security of a bespoke computer network. Even where the cost is relatively inexpensive, some care is likely to be taken over the purchase given the need to consider issues such as compatibility and performance. Where the goods and services involve security and anti-fraud measures or are intended to become or to be used as or with a network of computers, or involve a bespoke system, a great deal of care will be taken over the purchase. Whilst the goods in class 9 are such as may be purchased off-the-shelf and from a retail environment, whether in-store or online, they also may be highly technical and specialised and produced to the customer's individual requirements as a result of a commission direct from the supplier following negotiations and contractual agreements. The services in classes 42 and 45 are those for which the average consumer is only likely to engage a company after having satisfied himself that the services and the company supplying them are suitable for the project, whether large or small, he has in mind. In each scenario visual considerations are likely to play a significant part in the process though not to the extent that other considerations can be ignored."

13. The Hearing Officer's comparison of the marks is set out at paragraphs 29 - 39 of her decision. At paragraph 31 she said:

"31. For its part PCS accepts that the marks are "drawn differently" and that its mark contains a device of a lion and the word PORTCULLIS which the mark applied for does not but submits that they "share a recognisably similar element, namely the portcullis feature viewed from the front aspect". It submits that as this element is "the entirety of [Becrypt's mark]" and the largest and most dominant visual feature of

[the earlier mark]... [t]he overall visual effect is that the contested mark is a simplified, “less busy” version of the earlier mark [-]”. Referring me to Case T-389/03 *Dainichiseika Colour & Chemicals v OHIM,(Pelikan)*, PCS submits that both marks “depict a portcullis [and that] because the word PORTCULLIS describes the thing depicted in the earlier mark [-] that only reinforces the similarity”. Taking all matters into account PCS submits that there is a modest level of visual similarity between the respective marks. With reference to the aural consideration, it submits that “the marks have a phonetic identity or at least a high degree of similarity, taking account of the propensity of consumers to refer to device marks by their semantic content.” Finally, as regards the conceptual consideration it submits “there is conceptual identity (or near identity if one takes account of the lion devices in the earlier marks, which the opponent contends are decorative and do not add much to the overall meaning of the mark).”

14. The Hearing Officer went on to consider the case-law on the relevant factors to be taken into account where composite trade marks are to be compared. No complaint was made on the appeal as to the case-law cited. She then set out her views as to these marks:

“34. PCS’s earlier mark consists of what both parties agree to be the gate of a portcullis from the top of which chains hang down each side. Surmounted on the gate is a device of a lion which appears to be walking on all fours whilst below it is a banner device bearing the word PORTCULLIS. Each of these elements is a distinctive one however it is the device of the gate of the portcullis which is the dominant element given its size and position within the mark.

35. Becrypt’s mark is composed of two, relatively short, horizontal lines intersected, slightly off from the vertical, by two longer lines, each of which has a spike at its lower end. It has no distinctive or dominant element; the distinctiveness lies in the totality.

36. In his witness statement, filed on behalf of Becrypt, Mr Andrew Varney, its Chief Financial Officer, refers to Becrypt's mark as a hash device. PCS challenge this and, as indicated above, refer to it as a "portcullis feature viewed from the front aspect". In support of its interpretation Mr Mark Stephen Lane, PCS's Managing Director, exhibits, at ML01, an extract taken from the website of the company responsible for designing the device. The extract indicates that the company "created a simple visual which reflected a combination of computing and security: a 'hash mark' is commonly used in coding and we modified it to reflect a medieval portcullis." I do not consider this extract supports PCS's view that the device is "a portcullis feature" any more or less than it supports Becrypt's view that it is "a hash symbol" but in any event what the designer may have had in mind is not relevant: I have to consider what the average consumer would make of the mark.

37. It is possible (I put it no higher than that), that the mark could bring many things to mind, e.g. a grid used when playing tick-tack-toe, a piece of trellis, the musical symbol indicating the accidental of a sharp or, particularly so when used in connection with computers programmes and related services, a hash or number symbol but the spiked ends of the longer lines, which would not be overlooked, would make these interpretations unlikely. Because of these spiked ends it is possible that others could bring to mind a part of a barrier such as a portcullis gate but the open ended nature of the grid pattern would make this interpretation equally unlikely. In my view, whilst the device may be reminiscent of many things, of itself I do not consider the average consumer would accord it any particular conceptual meaning. It is an abstract device."

As Mr Malynicz accepted in his skeleton argument, paragraph 37 was the pivotal part of the Hearing Officer's decision, because this led to her finding that there was no aural or conceptual similarity between the marks. She went on:

"38. From the visual perspective there is a degree of similarity between the marks given the commonality of spiked, interlocking lines within

them although the number, style and layout of these lines clearly differ. There are also significant visual differences in that the earlier mark also has the additional elements of the banner with word PORTCULLIS within it, the chains and the lion none of which would be overlooked. “

15. Lastly she compared the marks from an aural perspective:

“39. From an aural perspective, given that the word PORTCULLIS appears within the earlier mark and the dominant part of the mark clearly depicts a portcullis, the average consumer will refer to the mark as portcullis. As to the mark applied for, PCS submit that it “may also be referred to as “portcullis” as that is what the device depicts”. For reasons I have already given, I do not consider the mark would be seen as depicting a portcullis (or even part of one). It is, instead, a device mark with no particular meaning and I do not consider that aural/oral considerations will come into play.”

Perception of the device mark

16. PCS argued that the Hearing Officer’s role was to stand in the shoes of the average consumer, who would not regard a device mark that he did not recognise as meaningless, but would seek to “unpack” an invented symbol, and seek to make sense of it, so far as possible. It said “The addition of the spikes at the bottom of the mark was a plain and obvious reference to a portcullis and the fact that there was no surrounding arch or gate and that only a section of the ‘grille’ was depicted did not make it unlikely to be seen as a portcullis.” In addition, PCS argued that the average consumer would be more likely to see the Becrypt Mark as making a reference to a portcullis, as a symbol of security, rather like using a key or lock device, because both parties trade in the field of security hardware and software.
17. PCS submitted that the Hearing Officer herself had suggested that the Becrypt Mark “could well connote a portcullis to some people” suggesting that this led to a gap in her reasoning. I do not agree that the Hearing Officer so found or that there was such an error in her reasoning. On the contrary, having said that she thought it possible that it could bring to mind “a part of a barrier such as a portcullis gate”

the Hearing Officer's view was that the open ended nature of the grid pattern made this unlikely. She was not saying it "could well" denote a portcullis.

18. In paragraph 35, the Hearing Officer looked at the Becrypt Mark as a whole and concluded that it is not dominated by either of its main components (the spikes or the grid/hash). Mr Malynicz suggested that the hash alone was devoid of distinctive character, so that the spikes were the distinctive part of the Becrypt Mark. That was not the Hearing Officer's view. Nor did she fall into the error of following Becrypt's suggestion that the device was merely a hash design, as Mr Malynicz also suggested. She thought both elements of the mark had equal impact. I do not consider that it can be said that she erred in so finding. As a result, she considered the overall impression which would be given to the average consumer having regard to the combination of those elements.
19. PCS argued similarly that the Hearing Officer erred in paragraph 37 of her decision in suggesting that the Becrypt Mark might be seen as a grid for tick-tack-toe (noughts & crosses), a musical symbol or a trellis, because none of those would have spiked ends. In my judgment, that criticism of the Hearing Officer's decision on this point is equally unfounded. Again, having found that the device *could* bring those items to mind, she decided that this was unlikely, because of the spikes.
20. PCS relied upon Case T-400/06, *Zero Industry Srl v OHIM*, in support of its submission that consumers could and would "unpack" an invented symbol, and attributed meaning to it where possible. The trade mark in *Zero Industry*, was "zerorh+" and so included a familiar word which might prompt the consumer to "unpack" the sign. The facts here strike me as very different: the Becrypt Mark has no verbal element and unless the consumer can identify a particular symbol or picture in the device, it seems to me that one cannot determine that the average consumer would attributed a meaning to the device. In my judgment, whilst some devices may well be seen as a stylised form of an object, some may not and will be seen as purely decorative or invented. That was certainly the Hearing Officer's view of this mark, and I do not consider that it can be said that there was a material error in her approach.

21. PCS contended that the clearest known meaning, and the only one consistent with the spikes, was a “portcullis-type device or a hash modified to look like a portcullis.” That submission, which is central to the appeal, depends upon two points. The first is that the average consumer would see the points at the base of the Becrypt Device as spikes, rather than (as they appear to me) as arrowheads, possibly indicating direction or movement. The second is that the average consumer has sufficient knowledge of architecture or history to know that a portcullis typically has spiked ends at its base, if indeed that is a fact, because no evidence was put before the Hearing Officer to prove this. More especially, however, there was no evidence before the Hearing Officer to the effect that an average member of the public would know about the spikes and identify them as an essential feature of a portcullis in that way, nor (if he did so) that he would know the word for that type of gate is ‘portcullis.’ Indeed, Mr Malynicz accepted in argumenta that someone recognising a picture of a portcullis might not know the word ‘portcullis.’

22. There are some helpful parallels to be drawn, in my judgment, between this appeal and a decision of Ms Anna Carboni sitting as the Appointed Person, BL O-048-08 *CHORKEE*. That was a case in which the earlier trade marks consisted of the word “Cherokee” and the Applicant contended in its Counterstatement that the earlier marks would be recognised as referring to the Cherokee tribe which was well known to the general public. No evidence was submitted to support this but the Hearing Officer nevertheless accepted it as fact. The question for Ms Carboni was whether he was right effectively to take judicial notice of the point. She held that care has to be taken not to assume that one’s own personal experience, knowledge and assumptions are more widespread than they are. Whilst she thought that it was right that judicial notice could be taken of the fact that the Cherokee Nation is a native American tribe she did not think it right to impute such knowledge to the average consumer of clothing. She considered that she would need evidence to convince her, contrary to her own experience, that “films and television shows about native Americans (which would have to mention the Cherokee by name to be relevant) have been the staple diet of either children or adults during the last couple of decades.”

23. For similar reasons, it seems plainly wrong to me in this case to hold, without evidence showing that such is the case, that the average member of the public (even one familiar with the general concept of a portcullis) would know that a portcullis has spikes at its base, and that, as a result, the design of the Becrypt Mark would give rise to the concept of a portcullis in the mind of the average consumer. There was no evidence before the Hearing Officer that the use of spikes made “plain and obvious reference to a portcullis” and the Hearing Officer plainly disagreed with PCS’s assertion that the lack of a surrounding arch or gate and the fact that only a section of the ‘grille’ was depicted did not make it less likely to be seen as a portcullis. It is plain from paragraph 37 that she thought that the lack of a surrounding arch or gate *did* make it unlikely to be seen as a portcullis and it does not seem to me that she can be criticised for having reached that view, which was plainly open to her in the absence of any evidence to the contrary.
24. It seems to me that this disposes of the point in relation to all of the relevant goods and services. If there were any evidence that the average consumer would recognise the spikes in the Becrypt Mark as representing a portcullis, I accept PCS’s submission that it would be more likely that the connection to the portcullis would be made in relation to a subset of the wide range of goods in its specifications relating to security (that being the actual as opposed to the notional use of the mark). However, in the absence of any such evidence, and without a finding that the mark would be seen as a portcullis, it does not seem to me that the point supports PCS’s position on the appeal.

Circumstantial evidence

25. PCS contended that the Hearing Officer should not simply have relied upon her own view of the mark, as representative of the view of an average consumer, but should have taken into account the evidence before her. That evidence did not, as mentioned above, directly show that the Becrypt Mark would be recognised as showing a portcullis. PCS accepted that the only evidence which the Hearing Officer should have taken into account was circumstantial evidence, but it alleged that there were two pieces of circumstantial evidence that she had failed to take into account.

26. First, PCS submitted that the Hearing Officer should have taken into consideration evidence that Becrypt’s design agency had on its website described its design of the Becrypt Mark as “a combination of computing and security” and “a hash mark ... modified to reflect a medieval portcullis”. The Hearing Officer did not ignore the evidence but said, at paragraph 36 that "what the designer may have had in mind is not relevant: I have to consider what the average consumer would make of the mark.”
27. PCS argued that the intentions of the parties may be a relevant consideration, relying upon *United Biscuits (UK) Ltd v Asda Stores Ltd* [1997] RPC 513, *Miller v Britt Allcroft (Thomas) LLC* [2000] FCA 1724, 52 IPR 419, *L’Oreal v Bellure* [2010] RPC 1 and *Specsavers v ASDA* [2012] EWCA Civ 24. It is well established that an intention to deceive may be a relevant factor in a passing off case, such as *United Biscuits* and an intention to take an unfair advantage is also relevant to infringement under section 10(3) of the TMA, as in *L’Oreal v Bellure*. However those cases are, in my view, very different from opposition proceedings under section 5(2)(b). In *Britt Allcroft*, an Australian case, the defendant had unsuccessfully sought the trade mark proprietor's approval for the proposed use of the shop name which the proprietor later alleged was an infringement. The relevance of that fact is readily apparent - the defendant wanted to suggest that there was a connection with the rights holder by the use of the name complained of – and this was taken as indicating what the public reaction to the use of the name might be expected to be. However, I do not see that the decision has any relevance to the facts of this case.
28. In *Specsavers*, a section 10(2) type infringement case, Kitchin LJ held:
- “115. It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant’s goodwill for himself the court will not “be astute to say that he cannot succeed in doing that which he is straining every nerve to do”: see *Slazenger & Sons v Feltham & Co* (1889) 6 R.P.C. 130 at p.538 per Lindley L.J. A trader who has taken the decision to live dangerously is in a different position, however. He has appreciated the risk of confusion and has endeavoured to adopt a sign which is a safe distance away. All must depend upon the facts of the

particular case. Further, it must be kept firmly in mind that the ultimate question whether or not the similarity between the trade mark and the sign is such that there exists a likelihood of confusion is one for the court to determine in the light of its global assessment of all material factors, of which the intention of the defendant, as a person who knows the market in which he is offering his goods or services, is only one.”

This passage shows, in my view, that intention may be relevant to such infringement, if such intention to take advantage of an earlier mark’s reputation leads to the choice of a mark which is close enough to it to lead to a likelihood of confusion. This could by analogy be relevant to an opposition under section 5 (2)(b) were it proved that the applicant, knowing the market in which he intends to offer his goods or services, had set out to use a similar mark to that of the opponent, intending to lead to confusion with the opponent's mark.

29. Here, all PCS could point to was a statement on the website of the applicant's design agency. This says nothing about the intentions of Becrypt or even the brief given to its design agency, which may or may not have known anything about the marks used by others in the trade, including PCS. Mr Malynicz suggested that the Hearing Officer should have presumed that this arose from relevant instructions given by Becrypt, but in my view this would have been inappropriate speculation on her part. He submitted on the appeal that the design brief was immaterial, but I disagree, because the thrust of Kitchin LJ’s point in *Specsavers* is that the party who decides how the mark should look is the one trading in the relevant field. I doubt that would have been the case for this designer, and there is no evidence to show that my doubt is misplaced. In my view, the comment on the designer’s website is not evidence of any relevant kind of intention to use a mark similar to the PCS marks, or to use a mark which would lead to a likelihood of confusion, and I consider that the Hearing Officer was right to reject it as such.
30. PCS relied on a second piece of circumstantial evidence which, it said, the Hearing Officer had failed to take into consideration, namely that the Becrypt Mark had been classified (whether by an examiner or a data capture clerk at the IPO) in Vienna Classification 7.15 representing BUILDINGS, MATERIALS, WALLS, GATES or BARRIERS. It is correct that the Hearing Officer did not advert to this

point in her decision, but it does not seem to me that this shows a material error on her part; regardless of the level of care which would have been taken to classify the mark in this way, it seems to me that it is impossible to second-guess what element of the applicant's design was seen as appropriate to this classification, or whether this was anything at all to do with seeing the device as a portcullis. I do not consider that this amounts even to circumstantial evidence that the device would be recognised by the average consumer as representing a portcullis.

31. PCS further submitted that the name "Becrypt" includes a reference to a "crypt" which was further circumstantial evidence that the name would be associated from historical/architectural point of view with a portcullis. That point appears to me to carry no weight because the Becrypt Mark is a device mark only and does not include the word "crypt".
32. For all these reasons, it appears to me that it was open to the Hearing Officer to find that the average consumer would not attribute any particular meaning to the Becrypt Mark, but would see it as an abstract symbol. It does not seem to me that she erred in rejecting PCS's argument that the mark would be seen as representing a portcullis, leading to the aural and conceptual similarity to its own marks which it claimed.

Assessment of likelihood of confusion

33. Geoffrey Hobbs QC sitting as the Appointed Person in *La Chemise Lacoste SA v Baker Street Clothing Ltd* [2011] RPC 5 summarised the approach to be adopted in assessing the requirement of a likelihood of confusion in slightly different terms to those of the earlier registry standard summary used by the Hearing Officer. This was approved by Kitchin LJ in *Specsavers* as follows:

(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;

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular (an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

34. PCS submitted that the Hearing Officer erred in applying this test, having made a number of findings tending to show a likelihood of confusion: the identity/similarity of goods and services, the enhanced distinctiveness of PCS's Marks (though I note that she held that she could not say how much it was enhanced), and having identified the dominant element of the earlier PCS marks as the portcullis. PCS referred to Case T-389/03 *Dainichiseika Colour & Chemicals v OHIM (Pelikan)* in which the earlier mark was a composite mark comprising the word "Pelikan" in prominent bold font on the left, and a device of a pelican in a globe on the right. The later mark was a device mark also showing a pelican in a globe, without any words. The pelicans differed in shape, but both birds were

clearly identifiable as pelicans, as the General Court held. PCS argued that the same analysis applied here and that the Becrypt Mark would look like a simplified version of the earlier PCS marks, producing a modest level of visual similarity.

35. Like the Hearing Officer, I do not accept PCS's submission. In *Pelikan* the birds in both of the marks were clearly identifiable as pelicans; here, the Hearing Officer had found that the Becrypt Mark was not identifiable as a portcullis. By the same token, I reject the suggestion that the Hearing Officer should have found aural similarity or conceptual similarity, because the Becrypt Mark would be referred to or thought of as a "portcullis." That would have been contrary to her findings discussed above. None of these arguments, in my view, can be sustained absent a material error in the Hearing Officer's reasoning by which she rejected the argument that the Becrypt Mark would be seen as a portcullis device.

The purchasing process

36. Alternatively, PCS submitted that the Hearing Officer erred in her finding that there would be no confusion because of the "careful nature of the purchasing process" because she should have adverted to the possibility that the wide range of goods and services within the specification might include goods bought extremely cheaply off the shelf and/or online without prolonged consideration.
37. In paragraphs 26-28 of the Hearing Officer's decision, she had noted the wide variety of goods and services for which registration was sought, and that for many of the goods the average consumer would be the general public, although some of the services might be provided to business users. The evidence showed that some goods and services offered for sale by PCS to businesses were of substantial value, but of course the specifications for both parties' marks were very broad.
38. PCS complained that in contrast to the passage in paragraphs 26 to 28, when carrying out the global assessment of the likelihood of confusion and setting out the various factors which she was taking into account in paragraph 50 of her decision, the Hearing Officer referred to the purchase being "a relatively specialist one which will involve a degree of care for all goods and services and for more specialist, technical and bespoke goods and services will involve a high degree of care." I think there is force in the comment that this paragraph is not wholly

consistent with the Hearing Officer's earlier reference to members of the general public in paragraph 26.

39. Even in paragraph 50, however, the Hearing Officer plainly had in mind a range of purchasers, reflecting the range of goods and services in the specification. Whilst at the hearing of the appeal I expressed concern about her reliance in paragraph 50 on the 'careful nature of the purchasing process,' on balance it does not seem to me that the wording of this paragraph necessarily reflects any material error in her decision, or even a real distinction from what she had said before. On the contrary, it might be said that even when buying inexpensive computer software or peripherals, the average member of the public will take some care to ensure that he is getting what he wants, and will take some care over the purchase, e.g. to ensure that it is compatible with his computer. In my view, the Hearing Officer in this passage in paragraph 50 simply over-paraphrased her earlier views, and it does not seem to me that this point vitiates her decision, which otherwise follows logically from her earlier conclusions.
40. PCS went on to raise a miscellany of complaints about the Hearing Officer not applying the appropriate principles as to the enhanced penumbra of protection arising from the enhanced distinctive character of the PCS Marks, the principle that high similarity of goods may offset differences between the marks, and the doctrine of imperfect recollection. I am not persuaded by these contentions. The Hearing Officer had alluded to all of these points and concentrated in paragraph 50 upon the most significant elements of the global assessment of a likelihood of confusion. Even though she did not deal specifically with imperfect recollection, given her views as to the significant visual differences between the marks it is clear that she would have dismissed the possibility of confusion occurring by reason of imperfect recollection. In my judgment, in carrying out that global assessment her view was that the low level of similarity which she had found between the parties' respective marks outweighed the other factors which might, in other circumstances, have led to a likelihood of confusion. Her decision could have been better expressed, but it does not seem to me that it shows an error of a sort which means I should allow the appeal.

Conclusion

41. For the reasons given above, the appeal by PCS fails. Costs should follow the event and should be on the usual scale. Accordingly I order the Appellant, PCS, to pay Bcrypt the sum of £1,200 in respect of the costs of the appeal, to be paid within 14 days of today, in addition to the sum of £1,500 ordered to be paid by the Hearing Officer.

Amanda Michaels
30 April 2012

Representation

Mr Simon Malynicz instructed by Shoosmith LLP appeared for the Appellant, PCS.

Mr Paul Kelly of Alexander Ramage Associates LLP appeared for the Respondent, Bcrypt.