

**O/281/20**

**TRADE MARKS ACT 1994 (AS AMENDED)**

**TRADE MARK APPLICATION No. 3398226**

**IN THE NAME OF MPOW TECHNOLOGY, CO., LTD**

**AND**

**OPPOSITION No. 417483**

**BY GOOGLE, LLC**

## Background and pleadings

1. This is an opposition by Google, LLC (“the opponent”) to an application filed on 10<sup>th</sup> May 2019 (“the relevant date”) by Mpow Technology, Co., Ltd (“the applicant”) to register the trade mark shown below.



2. The applicant applied to register the trade mark in relation to:

Class 9: Electrical Plugs; Electrical Sockets; Wireless Speakers; Electronic Weighing Scales For Kitchen Use; Portable Digital Electronic Scales; Body Fat Scales for household use; Thermometers Not For Medical Purposes; Goggles For Sports; Electric Doorbells; Fire And Smoke Detectors; Wireless Chargers; Battery Chargers; Multimedia Projectors; Micro USB Cables; Smartphone Mounts; Electrical Storage Batteries; Security Cameras; MP3 Players; Radios; Antennas; Smart Watches; Remote Control Systems And Components Thereof-Namely Radio Controls For Garage And Warehouse Entrance Doors And Gates, Automatic Garage Door Openers, Lights, Motors, Antennas, Transmitters, Receivers And Controllers Responding Thereto And Used In Such Systems; Speakers; Audio apparatus; Apparatus for the reproduction of sound.

Class 11: Electric heaters; dehumidifiers; Air conditioning installations; Air filtering installations; Air purifying apparatus and machines; lamps; electric flashlights; toasters; electric heater for baby bottles; electric coffee makers; electric kettles; ice boxes; humidifiers; electric fans; faucets; solar collectors for heating; showers; sterilizing devices; water purification apparatus; portable electric heaters; hot water bottles; lighters.

Class 14: Clocks; Wristwatches; Watch bands; Time instruments; clocks and watches, electric; Alarm clocks; Stopwatches; Precious metals, unwrought or semi-wrought; Jewellery cases [caskets]; jewelry rolls; Decorative articles [trinkets or jewellery] for personal use; necklaces; Earrings; Brooches [jewelry]; Jewellery.

3. The trade mark was published for opposition on 24<sup>th</sup> May 2019.

4. On 23<sup>rd</sup> August 2019, the opponent filed its notice of opposition. The grounds of opposition are as follows:

- (i) The opponent is the proprietor of 9 earlier trade marks consisting of, or including, the word NEST, six of which are earlier-filed EU marks or international trade marks protected in the EU; the other three are later-filed UK trade marks claiming priority from an earlier filing of the same marks in Tonga<sup>1</sup>;
- (ii) The contested mark is similar to the earlier marks and is proposed to be registered for goods which are identical or similar to the goods/services covered by the earlier marks;
- (iii) The letter 'S' is commonly used in product naming conventions and the contested mark is liable to be understood by consumers as S-NEST;
- (iv) There is a likelihood of confusion on the part of the public;
- (v) The earlier marks have a reputation in the EU in relation to all the goods/services for which they are registered/protected;
- (vi) Use of the contested marks would, without due cause, take unfair advantage of, and be detrimental, to the reputation and/or distinctive character of the earlier marks;
- (vii) The opponent has used the sign NEST in the UK since 2014 and acquired a protectable goodwill in a business trading in a wide range of electrical goods and software, as well as associated installation services, telecommunications services and online software services<sup>2</sup>;
- (viii) Use of the contested mark would amount to a misrepresentation to the public that the user of the mark is connected to the opponent, which will damage the opponent's goodwill;
- (ix) Use of the contested mark would therefore constitute passing-off;
- (x) In light of the above, registration of the contested mark would be contrary to ss.5(2)(b), 5(3) and/or 5(4)(a) of the Trade Marks Act 1994 ("the Act").

5. I note that the opponent was invited to refine its grounds of opposition so as to reduce the number of earlier marks relied on and to identify its best case. The opponent declined to do so, explaining that 6 of the 9 marks were still pending. It

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<sup>1</sup> See Annex A

<sup>2</sup> The full list of goods/services is shown at Annex B

argued that it would be more appropriate to reduce the number of earlier marks relied on later in the proceedings once the outcome of the pending applications and designations had been determined. Shortly after, all but one of the pending earlier marks were registered. However, no amendment was made to the opponent's grounds of opposition.

6. The applicant filed a counterstatement denying the grounds of opposition. I note that:

- (i) The applicant disputed that the contested mark is similar to any of the earlier marks;
- (ii) The applicant also initially denied that any of the goods covered by the application were identical or similar to any of the goods/services covered by the earlier marks (although the applicant subsequently amended its position on that matter, see below);
- (iii) Although one of the earlier marks (IR1125632) had been protected in the EU for more than 5 years at the relevant date and was therefore subject to the proof of use requirements set out in s.6A of the Act, the applicant elected not to request proof of use;
- (iv) The applicant did not specifically put the opponent to proof of the reputation claimed for the earlier marks.

## **Representation**

7. The applicant is represented by The Trade Marks Bureau. The opponent is represented by Fieldfisher LLP. Neither party asked to be heard. Consequently, this decision is based on the papers before me.

8. Only the opponent filed evidence. This consists of a witness statement (with 18 exhibits) dated 3<sup>rd</sup> December 2019 by Ms Emily Burns, who is the opponent's in-house Senior Trade Mark Counsel.

9. The applicant responded to this with written submissions dated 6<sup>th</sup> February 2020. I note that the applicant submitted, inter alia, that the opponent had not established that the earlier marks have the reputation claimed for them. The opponent

subsequently filed written submissions in lieu of a hearing in which it continued to rely on the evidence already filed and summarised below.

## **The evidence**

10. Ms Burns' evidence is that the NEST trade mark was originally owned by Nest Labs, Inc., which started trading in the USA in 2011 offering a 'Nest Learning Thermostat'. This is an electronic thermostat for homes or business premises with 'self-learning' features based on the user's settings over a period of time. It is Wi-Fi enabled and can make adjustments to heating/cooling when it senses that the premises are empty. It later introduced home smoke and carbon monoxide detectors (2013) and indoor and outdoor security cameras (2014/2016).

11. The opponent acquired Nest Labs and its trade mark in January 2014. The Nest Learning Thermostat was subsequently introduced in the UK in April 2014. The UK launch received publicity in the UK media in May 2014, including in national papers The Guardian and The Telegraph<sup>3</sup>. Newer versions of the same product permit remote programming so that users can regulate their heating/cooling systems whilst away from their premises. The Nest Thermostat was also marketed by Npower through a partnership arrangement that started in May 2014 (it is not clear whether or when it ended)<sup>4</sup>. Shell Energy also appears to have promoted the Nest Thermostat in the UK through a partnership arrangement with the opponent or its predecessor, but the details of this are even more sketchy.

12. Ms Burns adds (rather vaguely) that "*other products were rolled out.*" There is evidence that the 'Nest Protect' smoke alarm and Nest security cameras were available from the nest.com website in 2015 – 2018, although this does not clearly show that these products were available in the UK during this period<sup>5</sup>. The opponent also markets a Nest Secure alarm system. It is not clear from Ms Burns' statement when this was first marketed in the UK either. In July 2018 the opponent announced that Nest labs was to be incorporated into Google's hardware division. It later

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<sup>3</sup> See exhibit EB5

<sup>4</sup> See EB11

<sup>5</sup> See EB7

announced that its products would in future be marketed under the brand Google Nest<sup>6</sup>. Ms Burns indicates that the following range of products are currently available in the UK: Google Nest Hubs, Google Nest Mini, Google Nest Wi-Fi Point, Google Nest Hello (which appears to be a 'video' doorbell), Nest Aware and Google Nest Protect. These all appear to be smart home electrical devices or parts or fittings for use with such devices, or related cloud storage services. Once again, Ms Burns does not make it clear when these products were first marketed in the UK<sup>7</sup>.

13. The opponent's NEST products are sold in the UK by major UK retailers. There is evidence<sup>8</sup> that:

- (i) Argos sells the Nest Learning Thermostat;
- (ii) Screwfix sells Google Nest Smart Thermostat and Hot Water Control and Google Nest Outdoor Indoor and Outdoor Security Cameras;
- (iii) Curry's PC World sells the NEST Cam Home Security Kit, NEST video doorbell, Google Nest Protect smoke and carbon monoxide alarm, Google Nest Indoor camera, Google Nest Learning Thermostat and Google Nest Hub Max (which appears to be a tablet-like computer device);
- (iv) Amazon.co.uk sells the same sort of products.

However, this appears to reflect the position at the date of Ms Burns' statement. It does not clearly show the position at the relevant date.

14. The opponent runs YouTube, Twitter and Facebook Google Nest accounts promoting those products. At the date of Ms Burns' statement, the YouTube account had 246K worldwide subscribers. The Twitter account had 199k worldwide followers, and the Facebook account had around 540k worldwide followers and the same number of 'likes'.

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<sup>6</sup> See exhibit EB4, page 61

<sup>7</sup> According to exhibit EB4, which is a Wikipedia entry for Google Nest, The Nest Hello video doorbell was first marketed in the UK in May 2018.

<sup>8</sup> See EB13

15. Ms Burns provides examples of media coverage of Nest and Nest products<sup>9</sup>. Much of it is in the USA or elsewhere in the world, or is ambiguous as to its provenance. A few articles are from EU publications and there is some coverage of Nest products in UK publications. For example, The Telegraph ran an article in June 2015 noting that Nest Labs was launching a Nest Cam home security device and an associated Nest Aware cloud service which allowed users to store up to 10 days of recorded content. The Nest Cam was to go on sale at major UK retailers for £159. The same article refers to the launch of a second-generation Nest Protect smoke alarm, which would be available from the nest.com website for £89. Another article along the same lines appeared in the Telegraph on 17<sup>th</sup> November 2015. An article in the South Wales Echo dated 10<sup>th</sup> May 2019 (i.e. on the relevant date) reported that Google was rebranding its Google Home Hub to become the Google Nest Hub and launching a new product called the Google Nest Hub Max with additional features. These were to go on sale for £119 and £219, respectively. The Guardian reported the same story a few days earlier on 7<sup>th</sup> May 2019. However, there is no evidence that any of these products were sold in the UK prior to the relevant date.

16. NEST products have won awards. Many of these are in the USA or elsewhere. However, the Nest Hello (video doorbell) won an award from Trusted Reviews in November 2018. The trustedreviews webpage in evidence includes an advertisement for a new BMW car with prices in pounds sterling. I therefore take it that this article was addressed, at least in part, to a UK audience. I also note that the UK consumer publication Which? reviewed the Nest Learning third generation thermostat in May 2018 and recommended it as a 'best buy'.

17. Ms Burns provides the results of internet searches she conducted on the terms NEST THERMOSTAT, GOOGLE NEST, NEST SMART, and NEST. The most relevant results are those covering the period 28<sup>th</sup> February 2011 – 28<sup>th</sup> February 2019, i.e. prior to the relevant date. All, or nearly all, the top 30 'hits' from the first three search terms relate to the opponent and/or its products. Most are references to the NEST thermostat, although a couple of the later hits also refer to the opponent's NEST home security devices. I note that the searches covered "*any country*". It

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<sup>9</sup> See EB17

follows that the results are not limited to the UK or EU, although some of them are hits from UK websites, including Screwfix, BT Shop, EE, Wolseley, Curry's PC World and Plumbnation. About half the hits resulting from the search on NEST alone refer to the opponent or its products. Again, the results are not limited to the UK or EU, but some of the results are from UK websites.

### **Applicant's request for suspension**

18. In its written submissions the applicant requested that the decision in this opposition be suspended pending the outcome of EU trade mark application 14887194. The trade mark at issue is the word NEST alone. The EU application has been the subject of opposition proceeding since early 2016. According to the EUIPO's website there are two outstanding oppositions, both of which are suspended. In these circumstances I will endeavour to dispose of the opposition without relying on earlier EU trade mark 14887194. However, if that is not possible I will make this a preliminary decision dealing with the other earlier trade marks and grounds of opposition and indicate the extent to which the outcome of this opposition depends on the outcome of EU trade mark application 14887194.

### **The section 5(4)(a) ground**

19. It is convenient to start with the s.5(4)(a) ground of opposition.

20. 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.”*

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.”*

21. In *Discount Outlet v Feel Good UK*<sup>10</sup> Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

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

*56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per Interflora Inc v Marks and Spencer Plc [2012] EWCA Civ 1501, [2013] FSR 21).”*

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<sup>10</sup> [2017] EWHC 1400 IPEC

## Goodwill

22. Unusually, the opponent's evidence does not include the number of goods sold in the UK (or elsewhere) under the sign NEST, the amount of income generated through such sales, or the amount spent promoting products under the sign. Additionally, except in relation to the NEST thermostat, the opponent's witness provides very little specific information in her witness statement about the types of products marketed in the UK under the sign. It is therefore necessary to start by considering whether the opponent has established that, at the relevant date, it had UK customers and a protectable goodwill in the UK under the sign NEST and, if it had, the extent of that goodwill and reputation.

23. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)*<sup>11</sup>, Pumfrey J. stated:

*"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.*

*28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off*

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<sup>11</sup> [2002] RPC 19 (HC)

*will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”*

However, in *Minimax GmbH & Co KG v Chubb Fire Limited*<sup>12</sup> Floyd J. (as he then was) stated that:

*“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J. to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”*

24. I have considered whether the relatively vague nature of the opponent's evidence may be explained by the absence from the applicant's counterstatement of an express challenge to prove that the claimed goodwill and reputation under NEST. After all, if a claim has been admitted the party making the claim cannot be criticised for failing to prove it. The applicant's counterstatement did not expressly put the opponent to proof of the claimed goodwill/reputation. However, all the grounds of opposition were denied: the applicant did not admit the opponent's claim of goodwill/reputation under NEST. In its submissions in response to the opponent's evidence the applicant accepted that the evidence showed use of NEST in relation to *“automated heating control, home security systems and carbon monoxide detectors.”* However, it denied that the evidence showed use of the mark in relation to any other goods. It also denied the opponent's evidence established the earlier marks had a qualifying reputation [for any goods or services] for the purposes of s.5(3) of the Act.

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<sup>12</sup> [2008] EWHC 1960 (Pat)

25. If there had been any doubt this made it clear which facts the applicant accepted as established and which facts were still denied. The opponent did not seek to file additional evidence of its reputation in the UK. It thereby elected to continue to rely on the evidence it had already put forward. I must therefore assess whether this is sufficient to establish the goodwill required to support the opponent's s.5(4)(a) case.

26. Goodwill depends on the existence of customers in the UK for NEST goods at the relevant date<sup>13</sup>. Further, the goodwill must be more than trivial in extent<sup>14</sup>. As I have already noted, the applicant accepts that the opponent has used NEST in the UK in relation to automated heating control, home security systems and carbon monoxide detectors. Taking the opponent's evidence as a whole, including the press coverage of the marketing of NEST products in the UK, I think this is a realistic concession. In my view, the evidence also shows use of NEST, prior to the relevant date, in relation to smoke alarms and video doorbells (which I take to be a doorbell system with a video camera which permits the user to see who is ringing the bell). Despite the absence of sales or turnover figures, the level of media coverage of NEST products on sale in the UK, as well as awards for some of the products, indicates that the level of sales was unlikely to have been trivial. I therefore find that the opponent has established that it had a protectable goodwill in the UK at the relevant date under NEST. The nature of this goodwill was in relation to a business selling automated heating controls for buildings, home security systems, carbon monoxide detectors, fire alarms and video doorbells.

#### Misrepresentation and damage

27. Halsbury's Laws of England Vol. 97A (2012 reissue) provides guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

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<sup>13</sup> *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31

<sup>14</sup> *Hart v Relentless Records* [2002] EWHC 1984 (Ch)

*“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:*

*(1) that a name, mark or other distinctive feature used by the plaintiff 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 feature 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 successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.*

*In arriving at the conclusion of fact as to whether deception or confusion is likely, the court 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 plaintiff and the defendant carry on business;*

*(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;*

*(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 confusion or 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.”*

28. I have already described the nature of the opponent’s NEST business in the UK at the relevant date. Although the business was more than trivial in extent, the limitations of the opponent’s evidence make it impossible to say what the true extent of it was. It seems clear that the opponent’s most successful product was the NEST smart thermostat. The opponent’s follow-on products appear to exploit some of the same technology.

29. The terms shown in bold below cover the goods in which the opponent had established goodwill under the sign NEST by the relevant date.

*Class 9: Electrical Plugs; Electrical Sockets; Wireless Speakers; Electronic Weighing Scales For Kitchen Use; Portable Digital Electronic Scales; Body Fat Scales for household use; **Thermometers Not For Medical Purposes;** Goggles For Sports; **Electric Doorbells; Fire And Smoke Detectors;** Wireless Chargers; Battery Chargers; Multimedia Projectors; Micro USB Cables; Smartphone Mounts; *Electrical Storage Batteries;* **Security Cameras;** MP3 Players; Radios; *Antennas;* Smart Watches; Remote Control Systems And Components Thereof-Namely Radio Controls For Garage And Warehouse Entrance Doors And Gates, Automatic Garage Door Openers, Lights, Motors, Antennas, Transmitters, Receivers And Controllers Responding Thereto And Used In Such Systems; *Speakers; Audio apparatus; Apparatus for the reproduction of sound.**

30. The goods shown in italics above could be components or parts for such goods. The applicant’s specification also covers other goods in classes 9 and 11 which are similar to the goods in which the opponent has established goodwill. For reasons that will become clear, it is not necessary to set all of these out here. However, I note that remote control systems for garage and warehouse doors and gates, and the components of such systems, like the opponent’s goods, have the capacity to exploit

smart technology. They are also for related purposes to home security systems, i.e. controlling access to the premises. In my view, these goods are highly similar. It follows that for the purpose of this assessment the parties must be considered as operating, or proposing to operate, in the same field of commercial activity, so far as all the highlighted goods are concerned.

31. The applicant's mark and the sign in which the opponent has an earlier right are shown below.

Contested mark	Earlier right
 The logo for the contested mark consists of the word "SNEST" in a bold, italicized, sans-serif font. The letters are slanted to the right, and the "S" and "T" have a distinctive shape.	 The logo for the earlier right consists of the word "NEST" in a bold, sans-serif font, centered within the cell.

32. The contested mark consists of the word SNEST in a particular script. Although the script does not appear to be a standard one, it is clearly a secondary feature of the mark, the primary feature being the word SNEST itself. The sign under which the opponent claims an earlier right consists of the word NEST. Although the evidence shows that this mark is sometimes used with other terms, such as 'learning thermostat', 'Hello' and (latterly) GOOGLE, I am satisfied that the word NEST alone was distinctive of the opponent's UK business at the relevant date.

33. The contested mark consists of 5 letters. When spoken, SNEST is a one syllable word. It has no apparent meaning.

34. The earlier right consists of the word NEST which, as the opponent points out, makes up the last 4 letters of the contested mark. NEST is also a single syllable word.

35. In my view, the contested mark is visually similar to the earlier right to a medium degree. I find that the mark and earlier right to be aurally similar to high degree. This is because (a) the stylisation of the letters of the contested mark will be lost when the mark is verbalised, (b) both mark and earlier right comprise one syllable words, (c)

the 'S' in SNEST is likely to be given a soft sound, as in SNOUT, and (d) the remaining four letters in SNEST will be given the same sound as they have in NEST.

36. NEST has a clear meaning, i.e. a place where animals, particularly birds, live. In the context of the opponent's trade this will probably be recognised as a fanciful pointer to the nature of its goods, i.e. products for the home. The opponent submits that SNEST would be taken by consumers to mean S-NEST. According to the opponent, the likelihood of the contested mark being viewed in this way is increased by the fact that 'S' is commonly used as a descriptive element for products incorporating smart technology and the letter 'S' is commonly used as a "*model number*". As to the latter, I see no prospect of the letter 'S' being considered a model designator, at least when used as the first letter of the contested mark. As to the common use of 'S' to designate goods incorporating smart technology, this is not something of which I have personal experience as a consumer. The opponent filed no evidence to support this claim. And I note that the opponent itself does not appear to use the letter 'S' in this way in relation to its own smart goods. I therefore reject the opponent's submission. In any event, consumers are not in the habit of mentally dissecting marks in the manner suggested. Accordingly, they would have no reason to turn their minds to the meaning of the letter 'S' in SNEST. The impact of the visual and aural similarities between the mark and earlier right is therefore offset to a certain degree by the fact that NEST has a clear meaning to consumers, whereas SNEST does not.

37. There is no evidence about how the applicant uses the mark, but I must consider all normal and fair use of it. I recognise that this could include use with some variation in the stylisation shown in the applied-for mark, provided that it does not alter the distinctive character of the mark.

38. The parties appear to agree that the relevant public is the general public. The applicant submits that it also includes tradesmen and women who install, maintain and repair the goods in class 9. I accept that installers may be relevant to the extent they may be involved in the selection or ordering of a particular product. I also accept that those who maintain and repair the goods may be relevant, but again only to the extent that they are involved in the selection or ordering of replacement parts for the

products, i.e. where their involvement could make any misrepresentation operative. The applied-for goods are likely to be selected primarily through visual channels, such as catalogues and advertisements. However, the goods are of a kind that are likely to be the subject of oral orders. Additionally, they are the sorts of goods that may be the subject of oral recommendations. I must therefore consider the way the marks look and the way they may sound.

39. The applicant submits that the goods/services may be selected with a variety of levels of attention. In particular, it submits that home security systems are purchased with a high degree of care and attention.

40. The opponent disagrees that the goods/services covered by the application will be purchased with particular care.

41. I accept the applicant's submission that security cameras are likely to be selected with an above-average degree of attention because of the particular need to ensure they meet the user's specific security requirements. The other goods covered by class 9 of the application in which the opponent has established goodwill under NEST, e.g. *thermometers, not for medical purposes*, will be selected with a normal degree of care and attention.

42. I have given careful consideration to the ultimate question of whether use of the contested mark would constitute a relevant misrepresentation to the public. On the one hand, some of the goods appear identical, or virtually so, and the difference between the contested mark and NEST is only one letter (and the stylisation of SNEST). On the other hand, differences at the beginnings of marks tend to make more of an impact than differences at the ends, and here the first letters of the marks differ. Additionally, NEST has a conceptual meaning, which will help consumers to avoid confusing it with SNEST, which does not.

43. The difference in the beginnings of the marks is important but not decisive. For example, in *Bristol Global Co Ltd v EUIPO*<sup>15</sup> the General Court held that there was a

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<sup>15</sup> Case T-194/14

likelihood of confusion between AEROSTONE (slightly stylised) and STONE, if the marks were used by different undertakings in relation to identical goods (land vehicles and automobile tyres). This was despite the fact that the beginnings of the marks were different. The common element – STONE – was held to be sufficient to create sufficient similarity between the marks for the opposition before the EUIPO to succeed.

44. Similarly, the fact that one of the marks has a meaning that can be immediately grasped, whereas the other does not, cannot be taken to exclude the likelihood of confusion and deception. For example, in another trade mark case, *Diramode S.A. v Richard Turnham and Linda Ann Turnham*<sup>16</sup>, Mr Geoffrey Hobbs QC, as the Appointed Person, decided that the mere fact that the mark PINKIES had a meaning, whereas the opposing mark (PIMKIE) did not, was not sufficient to counteract the likelihood of confusion arising from the visual and aural similarities between them.

45. The question of whether use of the contested mark would amount to a misrepresentation therefore depends on an overall assessment of all relevant factors. No one such factor automatically trumps the others. It is also necessary to keep in mind that passing-off does not require deception amongst all, or even a majority, of the opponent's NEST customers. It is sufficient if a substantial number are deceived

46. I recognise that there are factors pointing both towards and away from a likelihood of confusion and deception. However, on balance, I find it likely that use of the contested mark will confuse and deceive a substantial number of the opponent's customers, or potential customers, if the contested mark is used in relation to the same (or virtually the same) goods<sup>17</sup> or replacement components or parts for such goods<sup>18</sup>.

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<sup>16</sup> BL O/566/19

<sup>17</sup> These goods are in bold or underlined in paragraph 29 above.

<sup>18</sup> The goods which could be components or parts for heating controls for buildings, home security systems, carbon monoxide detectors, fire alarms and video doorbells are shown in italics in paragraph 29 above.

47. There is a likelihood of a certain amount of visual and aural confusion arising from the contested mark being mistaken for the opponent's mark through imperfect recollection. Additionally, I find that there is likelihood of a substantial number of the opponent's customers or potential customers being confused as a result of the contested mark being aurally misheard as NEST. In coming to these conclusions I have kept in mind that the goods at issue are likely to be selected with at least an average degree of attention (above average in the case of security cameras). I consider that this will limit, but not eliminate the likelihood of confusion and deception.

48. In my view, the level of confusion and deception will be sufficient to damage to the opponent's goodwill. This would arise through diversion of sales and/or through the opponent losing control of the reputation for its goods. It follows that use of the contested mark in relation to the goods highlighted in paragraph 29 above would amount to passing off.

49. I have reached the opposite conclusion with regard to the remainder of the goods covered by the contested mark. In my judgement, the differences between the contested mark and the earlier right, combined with the differences between the respective goods/services, mean that, at the relevant date, it was unlikely that a substantial number of the opponent's customers or potential customers would be confused or deceived by use of the contested mark. Consequently, use of the contested mark in relation to these goods/services would not have amounted to a misrepresentation. It follows that the question of damage does not arise.

50. The opposition under s.5(4)(a) therefore succeeds in relation to:

(1) Thermometers for non-medical purposes, security cameras, electric doorbells, fire and smoke detectors.

(2) Goods that could be components or parts for heating controls for buildings, home security systems, carbon monoxide detectors, fire alarms or video doorbells.

(3) Remote control systems and components thereof; namely, radio controls for garage and warehouse entrance doors and gates, automatic garage door

openers, lights, motors, antennas, transmitters, receivers and controllers responding thereto and used in such systems.

### **The section 5(2) grounds of opposition**

51. 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”.*

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.”*

### **Comparison of goods and services**

52. The opponent relies on 9 earlier trade marks, but for reasons that will become clear I only find it necessary to specifically compare the goods/services covered by four of the earlier marks. These are IR1201816, EU14631287, UK3410280, and EU14887194.

Goods covered by contested mark	Goods/services covered by earlier trade marks
Class 9: Electrical Plugs; Electrical Sockets; Wireless Speakers; Electronic Weighing Scales For Kitchen Use; Portable Digital Electronic Scales; Body Fat Scales for household use;	IR1201816 NEST Class 9: Electronic devices for environmental monitoring, control, and automation; computer software for use in environmental monitoring, control,

Thermometers Not For Medical Purposes; Goggles For Sports; Electric Doorbells; Fire And Smoke Detectors; Wireless Chargers; Battery Chargers; Multimedia Projectors; Micro USB Cables; Smartphone Mounts; Electrical Storage Batteries; Security Cameras; MP3 Players; Radios; Antennas; Smart Watches; Remote Control Systems And Components Thereof-Namely Radio Controls For Garage And Warehouse Entrance Doors And Gates, Automatic Garage Door Openers, Lights, Motors, Antennas, Transmitters, Receivers And Controllers Responding Thereto And Used In Such Systems; Speakers; Audio apparatus; Apparatus for the reproduction of sound.

Class 11: Electric heaters; dehumidifiers; Air conditioning installations; Air filtering installations; Air purifying apparatus and machines; lamps; electric flashlights; toasters; electric heater for baby bottles; electric coffee makers; electric kettles; ice boxes; humidifiers; electric fans; faucets; solar collectors for heating; showers; sterilizing devices; water purification apparatus; portable electric heaters; hot water bottles; lighters.

Class 14: Clocks; Wristwatches; Watch bands; Time instruments; clocks and watches, electric; Alarm clocks; Stopwatches; Precious metals, unwrought or semi-wrought; Jewellery cases [caskets]; jewelry rolls; Decorative articles [trinkets or jewellery] for personal use; necklaces; Earrings; Brooches [jewelry]; Jewellery.

and automation systems; electronic devices and computer software that allow users to remotely interact with environmental monitoring, control, and automation systems; electronic devices and computer software that allow the sharing and transmission of data and information between devices for the purposes of facilitating environmental monitoring, control, and automation.

Class 42: Computer services, namely, providing an internet site featuring technology for use in environmental monitoring, control, and automation systems; computer services, namely, providing an internet site featuring technology that allows users to remotely interact with environmental monitoring, control, and automation systems; platform as a service (PAAS) featuring computer software platforms for use with environmental monitoring, control, and automation systems; software as a service (SAAS) services featuring computer software for use with environmental monitoring, control, and automation systems.

EU14631287

**nest**  
thoughtful things

Class 9: Electronic devices and computer software that allow users to remotely interact with environmental monitoring, control, and automation systems; electronic devices and computer software that allow the sharing and transmission of data and information between devices for the purposes of facilitating environmental monitoring, control, and automation;

climate control system consisting of a digital thermostat that can be controlled wirelessly from a remote location; smoke alarms, carbon monoxide alarms, fire alarms, security alarms and sensors; environmental hazard detectors, namely, devices to detect and record the presence of water, humidity levels, heat, temperature, movement, motion, and sound; lighting control apparatus, namely, devices to sense ambient light; electronic video surveillance products, namely, digital video recorders and electronic components of security systems.

UK3410280



Nest

Class 9: Computer hardware for streaming and playing audio, video, and multimedia content, and for controlling televisions, monitors, gaming systems, DVD players, portable media players, and digital media streaming devices; Audio speakers; Loud Speakers; Wireless indoor and outdoor speakers; Voice controlled audio speakers; Electronic devices and computer software that allow the sharing and transmission of data and information between devices for the purposes of facilitating environmental monitoring, control, and automation; Climate control system consisting of a digital thermostat; Wireless cameras; digital cameras; motion activated cameras; video cameras; Electronic monitors and sensors for monitoring water, humidity levels, heat, temperature, air quality,

	<p>light, movement, motion, sound, and the presence of people, animals and objects; Light switches; lighting control panels; light systems comprising light sensors and switches; Electronic locks; programmable locking systems; digital door locks; Electronic doorbells; electronic wirelessly enabled doorbells; electronic doorbells featuring a camera; intercoms; Smoke alarms, carbon monoxide alarms, fire alarms; access control and alarm monitoring systems; security alarm hubs; sound alarms; alarm sensors; security alarm controllers; keypads for use with security alarm devices; electronic key fobs being remote control apparatus; Stand alone information device, namely, voice and manual controlled audio speakers with personal digital assistant capabilities for streaming and playing audio, video, and multimedia content, for controlling televisions, monitors, gaming systems, DVD Players, portable media players, and digital media streaming devices; Stand alone information device, namely, voice and manual controlled audio speakers with personal digital assistant capabilities for accessing and searching online databases, websites, mobile phones, computers, tablets, smart phones, handheld computers, portable computers for documents, files, and other stored information on command; Stand alone information device, namely, voice and manual controlled audio speakers with personal digital assistant capabilities for providing personal concierge services for others initiated by voice-controlled commands via a mobile phone, computer, tablet, smart phone, handheld computer, portable computer,</p>
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	<p>namely, adding and accessing calendar appointments, alarms, timers, reminders, making restaurant, travel, and hotel reservations, and making professional services appointments; Software for controlling home automation systems, namely, lighting, appliances, HVAC systems, thermostats, air quality monitors and sensors, alarms and other safety equipment, locks, doorbells, cameras, and home monitoring equipment; Software for streaming and playing audio, video, and multimedia content, and for controlling televisions, monitors, gaming systems, DVD players, portable media players, and digital media streaming devices.</p> <p>Class 37: Installation of electronic devices, computer hardware, and security and surveillance products, HVAC systems, lighting, and appliances; certification services, namely, for the professional installation of electronic devices, computer hardware, and security and surveillance products, HVAC systems, lighting, and appliances.</p> <p>Class 38: Telecommunication services, namely, transmission of emails, text messages, phone calls, voice, data, graphics, images, audio and video clips by means of telecommunications networks, wireless communication networks, and the Internet.</p> <p>Class 42: Providing temporary use of online non-downloadable software for providing a personal voice-enabled digital assistant; Providing temporary use of online non-downloadable voice</p>
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	<p>recognition software; Computer services, namely, providing a voice-controlled search engine for obtaining data, images, audio and video via a global computer network; Provision of Internet search engines; Providing temporary use of online non-downloadable software used to provide voice-controlled information and communications; Electronic storage of electronic media, namely, images, text, audio, and video data; providing online non-downloadable software for recording, viewing, storing, sharing and analyzing online audio and video; Providing temporary use of online non-downloadable software for streaming and playing audio, video, and multimedia content, and for controlling televisions, monitors, gaming systems, DVD players, portable media players, and digital media streaming devices; Providing temporary use of online non-downloadable software for use in providing personal concierge services for others by voice-controlled commands via a mobile phone, computer, tablet, smart phone, handheld computer, portable computer, namely, adding and accessing calendar appointments, alarms, timers, reminders, making restaurant, travel, hotel reservations, and making professional services appointments; Providing temporary use of online non-downloadable software for monitoring and controlling home automation systems, namely, lighting, appliances, HVAC systems, thermostats, air quality monitors and sensors, alarms and other safety equipment, locks, doorbells, cameras, and home monitoring equipment; Computer services, namely,</p>
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	<p>providing a website featuring technology that allows users to monitor and control home automation systems, namely, lighting, appliances, HVAC systems, thermostats, air quality monitors and sensors, alarms and other safety equipment, locks, doorbells, cameras, and home monitoring equipment at a remote location.</p> <p>EU14887194 (pending)</p> <p>NEST</p> <p>Class 9: Wireless cameras; digital cameras; motion activated cameras; remote video monitoring system consisting primarily of a camera and video monitor for recording and transmitting images and videos to remote locations; video cameras; computer software for mobile phones, tablets and other wireless devices, namely, software for use in recording, viewing, storing, sharing and analyzing online audio and video; computer software for use as an application programming interface (API); electric or electronic sensors for motion, humidity, temperature, and light.</p> <p>Class 38: Telecommunication services, namely, electronic transmission of voice, video, messages and data; transmission, reception, processing of sound and video via computer networks.</p> <p>Class 41: Audio and video recording services.</p> <p>Class 42: Electronic storage of electronic media, namely, images, text, audio, and video data; providing online non-downloadable software for</p>
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	recording, viewing, storing, sharing and analyzing online audio and video; storing of sound and video via computer networks.
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53. The applicant accepts that the goods/services covered by the opponent's earlier marks are similar to the following goods in the opposed application:

Class 9: Wireless speakers; thermometers not for medical purposes; fire and smoke detectors; wireless chargers; battery chargers; security cameras; remote control systems and components thereof, namely, radio controls for garage and warehouse entrance doors and gates, automatic garage door openers, lights, motors, antennas; transmitters, receivers and controllers responding thereto and used in such systems; speakers; audio apparatus; apparatus for the reproduction of sound.

Class 11: Electric heaters; dehumidifiers; air conditioning installations; air filtering installations; air purifying apparatus and machines; lamps; electric flashlights; humidifiers; electric fans; solar collectors for heating; portable electric heaters.

The applicant has not been specific as to which of the above goods are accepted as being similar to which of the goods/services covered by the earlier marks. However, in the light of the applicant's position I am required to assume that there is a certain degree of similarity between all the goods shown above and one or more of the goods/services covered by one or more of the earlier marks.

54. The specification for earlier trade mark UK3410280 is shown above. Earlier marks EU18063678, EU18088532, UK3409999 and UK3410717 have similar specifications. My findings in relation to UK3410280 will, therefore, also apply to these other marks.

55. Taking account of the guidance in *Gérard Meric v OHIM*<sup>19</sup>, I accept the opponent's submission that the class 9 specification of UK3410280 includes terms that cover identical goods to some of those listed in the class 9 specification of the contested mark. For example:

- (i) the applied-for terms "*wireless speakers*", "*audio apparatus*", "*apparatus for the reproduction of sound*" and "*speakers*" are identical to the terms "*audio speakers*", "*loud speakers*", "*wireless indoor and outdoor speakers*", "*voice controlled audio speakers*" in the specification of UK3410280;
- (ii) the applied-for term "*thermometers not for medical purposes*" is identical to the term "*electronic monitors and sensors for monitoring ... heat, temperature*" in the specification of earlier trade mark UK3410280;
- (iii) the applied-for term "*electric doorbells*" is identical to the terms "*electronic doorbells*", "*electronic wirelessly enabled doorbells*" and "*electronic doorbells featuring a camera*" in the specification of earlier trade mark UK3410280.

56. For the reasons given below in my findings about the likelihood of confusion, it is not necessary to compare the remainder of the goods and service covered by UK3410280 (or EU18063678, EU18088532, UK3409999 and UK3410717) with those covered by the contested mark.

57. I note that EU14887194 covers "*electric or electronic sensors for motion, humidity, temperature*" and IR1201816 covers "*electronic devices for environmental monitoring.*" These terms are broad enough to cover thermometers for buildings. i.e. thermostats. Further, EU14631287 covers a "*climate control system consisting of a digital thermostat that can be controlled wirelessly from a remote location*". This clearly covers a type of thermometer. All these goods are to be treated as identical.

58. The opponent submits that the applied-for terms "*fire and smoke detectors*" is identical to the terms "*smoke alarms*" and "*fire alarms*", which are in the specification of EU14631287. I note that EU14887194 covers "*electric or electronic sensors for*

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<sup>19</sup> Case T- 133/05

*motion, humidity, temperature, and light.*” I find that all these goods are identical, or virtually identical.

59. The opponent submits that the applied-for term “*security cameras*” is identical to the terms “*wireless cameras; digital cameras; motion activated cameras; remote video monitoring system consisting primarily of a camera and video monitor for recording and transmitting images and videos to remote locations; video cameras*”, which is in the specification of EU14887194. I note that EU14631287 also covers “*electronic video surveillance products, namely, digital video recorders and electronic components of security systems*”, which includes security cameras. I find that all these goods are identical or virtually identical.

60. The contested mark covers “*electric doorbells*”. This term is wide enough to cover video doorbells. “*Motion activated cameras*” in the specification of EU14887194 and “*electronic video surveillance products, namely, digital video recorders and electronic components of security systems*” in the specification of EU14631287, appear to cover goods which are similar in nature and purpose to video doorbells. I find that these are highly similar goods.

61. The class 9 specification of the contested mark also covers “*remote control systems and components thereof - namely radio controls for garage and warehouse entrance doors and gates, automatic garage door openers, lights, motors, antennas, transmitters, receivers and controllers responding thereto and used in such systems.*” EU14631287 covers “*security alarms and sensors*” and “*electronic video surveillance products, namely, digital video recorders and electronic components of security systems.*” The applicant’s goods are remote controls for, inter alia, garage and warehouse doors and gates, automatic garage door openers, and components of such systems. The purpose of such goods is to permit controlled access to garages and warehouses. This inevitably involves denying access to unauthorised persons. The opponent’s goods are for security and alarm purposes. The purposes of the goods therefore overlap. The nature of the goods is also similar. They are automated electronic systems using sensors and equipment for sending and receiving electronic signals. The goods are unlikely to be in direct competition, but

the users are likely to overlap. In my view, these goods are highly similar, but not identical<sup>20</sup>.

62. The Opponent submits that the remainder of the goods applied for in class 9 are highly similar to the goods covered by the opponent's trade marks. By way of example, the opponent says that *"electric plugs", "electric sockets", "battery chargers", "micro USB cables", "wireless chargers", "smartphone mounts" and "electrical storage batteries", "antennas"* are used in conjunction with components of goods covered by the opponent's trade marks such as *"wireless cameras"*.

63. I accept that *"electric plugs", "wireless speakers", "electrical storage batteries", "antennas", "speakers", "audio apparatus" and "apparatus for the reproduction of sound"* could be included in *"electronic video surveillance products, namely, digital video recorders and electronic components of security systems"* and/or *"security alarms and sensors"*, both of which are covered by earlier trade mark EU14631287. Otherwise the goods cited on behalf of the opponent are similar, at most, to only a low degree to the goods covered by any of the earlier marks.

64. The opponent further submits that the term *"smart watches"* is highly similar to goods covered by the opponent's trade marks. I note that EU14631287 covers *"electronic devices and computer software that allow users to remotely interact with environmental monitoring, control, and automation systems."* However, the application does not cover software. Nor does it appear to be suggested that this description covers smart watches as such. Rather, according to the opponent's representative, smart watches will be used in conjunction with some of the opponent's goods. The argument appears to be that a smart watch app' could be used to change the temperature of a house before a user returns home. I accept that

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<sup>20</sup> In deciding on the similarity of the goods/services I have taken into account the guidance of the Court of Justice of the European Union in *Canon*, Case C-39/97 where the court stated at paragraph 23 of its judgment that:

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

"smart watches" could be used in this way to send signals to the opponent's goods (for example, a *climate control system consisting of a digital thermostat that can be controlled wirelessly from a remote location*), probably via the user's mobile phone.

65. In *Kurt Hesse v OHIM*<sup>21</sup> 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 OHIM*<sup>22</sup> the General Court 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".*

66. In my experience smart watches are usually marketed by different undertakings to those which market the goods and services covered by the earlier marks. I do not, therefore, accept that these are complementary goods in the sense described in the case-law.

67. I see no similarity between the remaining goods in class 9 of the contested application; namely, "*electronic weighing scales for kitchen use*", "*portable digital scales*", "*body fat scales for household use*" and "*goggles for sports*".

68. The Opponent submits that the applied-for goods in class 11 would be used in conjunction with the goods and services covered by the opponent's earlier trade marks. For example, "*electric heaters*", "*dehumidifiers*", "*air conditioning installations*", "*air filtering installations*", "*air purifying apparatus and machines*", "*lamps*", "*electric flashlights*", "*humidifiers*", "*electric fans*", "*solar collectors for heating*", "*portable electric heaters*" would be used in conjunction with the opponent's goods in class 9. According to the opponent this means that the goods covered by class 11 of the contested application are highly similar to those goods

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<sup>21</sup> Case C-50/15 P

<sup>22</sup> Case T-325/06

and services covered by the earlier trade marks. As noted above, the applicant accepts that the goods in class 11 of the contested application are similar to those covered by the earlier marks, except for:

*“Toasters; electric heater for baby bottles; electric coffee makers; electric kettles; ice boxes; faucets; showers; sterilizing devices; water purification apparatus; hot water bottles; lights.”*

69. I recall that EU14631287 covers *“lighting control apparatus namely, devices to sense ambient light”*, which is plainly for use with *“lights.”* I accept that these goods are complementary and similar to a low-to-medium degree. The goods in class 11 which the applicant accepts are similar to some of the opponent’s class 9 goods are no more similar than this.

70. It is not clear to me that any of the other goods listed at the end of paragraph 68 above (i.e. the goods the applicant does not accept are similar) could be used in conjunction with the goods covered by the earlier trade marks. In any event, that is not the correct test for establishing whether the goods are similar. None of these goods are complementary in the sense described in the case-law. They are not similar goods.

71. The Opponent submits that the applied for goods in class 14 would also be used in conjunction with the goods covered by its earlier trade marks. The opponent argues, by way of example, that *“clocks”, “time instruments”, “clocks and watches”, “alarm clocks”* could be incorporated in some of the goods in class 9 of the earlier marks. In this connection, I note that IR1201816 covers *“electronic devices for environmental monitoring, control, and automation.”* According to the opponent, when consumers select heating settings for their homes this will include a time keeping element. Therefore, says the opponent, these goods are similar to those covered by its earlier trade marks.

72. I reject this submission. The mere fact that one type of product could form part of another product is insufficient to establish that the products are similar<sup>23</sup>. There is no other similarity between them. I find that these goods are not similar.

73. The remainder of the goods covered by class 14 of the contested application are not similar to any of the goods/services covered by the earlier trade marks.

#### Global assessment of the likelihood of confusion – case-law

74. Having found that at least some of the goods covered by the contested mark are identical or similar to those covered by the opponent's earlier marks, it is necessary to undertake a global assessment of the likelihood of confusion. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case 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

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<sup>23</sup> In *Les Éditions Albert René v OHIM*, Case T-336/03, the General Court found that "61... The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different."

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 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.

#### Average consumer and the selection process

75. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood

of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*.

76. At paragraphs 38 – 41 above I considered the relevant public, the average consumer's likely level of attention during the selection process, and the way the goods would be selected. I adopt those findings for the purposes of this assessment.

#### Distinctive character of the earlier trade marks

77. Some of the opponent's marks include additional elements, but it is the distinctiveness of the similar element - NEST - which counts for present purposes<sup>24</sup>.

78. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* 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*

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<sup>24</sup> See paragraphs 38 and 39 of the decision of Mr Iain Purvis Q.C. as the Appointed Person, in *Kurt Geiger v A-List Corporate Limited*, BL O-075-13

*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).”*

79. The word NEST does not describe the goods/services covered by the earlier marks. However, it is an ordinary dictionary word and one that fancifully alludes to the nature of some of the goods/services (as being goods/services for use in the home). In my view, the word NEST has an average degree of inherent distinctive character in relation to the goods/services for which the earlier marks are registered or protected. So far as I can see, neither party argues for a different finding so far as the inherent distinctiveness of the earlier marks is concerned.

80. The opponent submits that the distinctive character of all the earlier marks has been enhanced through use. According to the opponent, the earlier marks are highly distinctive in fact.

81. The applicant disputes that the earlier marks have been shown to have acquired a significant reputation in the UK through use prior to the relevant date.

82. I earlier accepted that the opponent’s evidence is sufficient to establish the necessary goodwill and reputation to support its s.5(4)(a) case. However, all that required was a finding that the opponent’s goodwill was more than trivial in extent at the relevant date. The limitations of the opponent’s evidence make it impossible for me to assess the market share held by the earlier trade mark in relation to the goods/services for which they are registered/protected (if any), how intensive use of the mark has been in the UK in relation to any particular goods/services, or the amount invested by the opponent in promoting the marks in the UK or EU.

83. The NEST mark appears to have been used in the UK for about 5 years prior to the relevant date in relation to automated heating/climate controls for buildings. The mark had also been used, albeit for shorter periods of time, in relation to home security systems, carbon monoxide detectors, fire alarms and video doorbells. Therefore considering the position at the relevant date, the length of use of the mark,

whilst not unusually short, was not particularly longstanding. The limitations of the opponent's evidence prevent me from assessing the section of the public for any particular goods/services which, because of the mark, identified those goods or services as originating from the opponent.

84. The evidence as a whole indicates that the distinctiveness of the earlier marks (or more accurately, the NEST element) may have been enhanced to a certain degree through use prior to the relevant date. However, I find that there is insufficient evidence to establish that the distinctiveness of NEST had been materially enhanced, i.e. to a high level, even in relation to automated heating/climate controls. I therefore reject the opponent's submission that the earlier marks (or the NEST element of the composite marks) were highly distinctive through use at the relevant date.

#### Comparison of marks

85. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23 of the judgment) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components.

86. 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.

87. The earlier marks I consider to be most similar to the contested mark (and cover goods or services which are identical or at least as similar to the applicant's goods as any of the opponent's other earlier marks) are shown below.

<p>IR1201816</p> <p><b>NEST</b></p> <p>EU14631287</p>  <p>UK3410280</p>  <p>EU14887194</p> <p><b>NEST</b></p> <p>UK3410717</p> <p><b>GOOGLE NEST</b></p>	
Earlier trade marks	Contested trade mark

88. I assessed the similarity between the contested mark and the word NEST in paragraphs 31 – 36 above. I adopt the same analysis here in relation to IR1201816.

89. The opponent submits that NEST is the dominant and distinctive element of EU14631287. I agree. The visual stylisation of NEST makes a relatively small contribution to the impact of the mark. The tag line ‘thoughtful things’ is not only a much smaller element of the mark, it is also laudatory and lacking in trade mark character. I therefore find that these marks are visually similar to a medium degree.

90. According to the opponent, the tag line ‘thoughtful things’ may be left out altogether when the earlier mark is spoken. The applicant disagrees with this, arguing that NEST THOUGHTFUL THINGS is much longer than SNEST.

91. In my view, a significant section of the public will remember and/or refer to the EU14631287 as just NEST. However, another significant section of the public are likely to recall and refer to it as NEST THOUGHTFUL THINGS. To average consumers in the first group, the marks are aurally similar to a high degree. To average consumers in the second group, the marks are aurally similar to a medium degree. This is because (1) the word NEST will be verbalised as the first element of the earlier mark, (2) NEST is highly similar to SNEST, and (3) the beginnings of marks tend to make more of an impression than the ends<sup>25</sup>.

92. As noted earlier, SNEST has no conceptual meaning whereas NEST and THOUGHTFUL THINGS both do. Consequently, the marks are conceptually dissonant.

93. Turning to the comparison between the contested mark and UK3410280, I note that the latter has two elements, a multi-coloured letter G above the word NEST. In my view, these elements are equally dominant in the earlier mark and make a roughly equal contribution to the visual impression created by that mark. I have already found that there is a medium degree of visual similarity between the contested mark and NEST. However, the multi-coloured letter G has no counterpart in the contested mark. Compared as wholes, I find there is only a low degree of visual similarity between UK3410280 and the contested mark.

94. I find the earlier mark is likely to be spoken as G-NEST, which has two syllables. By contrast, as I have already found, SNEST has but one syllable. In these circumstances, the common element – NEST – results in no more than a medium degree of aural similarity between the marks as wholes.

95. Neither G NEST nor SNEST has a conceptual meaning. However, the NEST element of the earlier mark has a clear conceptual meaning. The marks are conceptually dissonant to this extent.

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<sup>25</sup> See, for example, *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

96. Turning to UK3410717, GOOGLE NEST, I find that GOOGLE and NEST are roughly equally dominant in the earlier mark and both words contribute, again roughly equally, to the distinctive character of the earlier mark. I have already found that there is a medium degree of visual similarity between the contested mark and NEST. The word GOOGLE has no counterpart in the contested mark. Therefore, compared as wholes, I find there is only a low degree of visual similarity between UK3410717 and the contested mark.

97. I find the earlier mark is likely to be spoken as GOO-GULL-NEST, which has three syllables. By contrast, as I have already found, SNEST has but one syllable, albeit one with a high degree of aural similarity to the third syllable of the earlier mark. In these circumstances, the common element – NEST – results in no more than a low degree of aural similarity between the marks when compared as wholes.

98. Neither GOOGLE NEST nor SNEST has a conceptual meaning. However, the NEST element of the earlier mark has a clear conceptual meaning. The marks are conceptually dissonant to this extent.

#### Likelihood of confusion

99. For the same reasons that I gave at paragraphs 42 – 47 above for finding that use of the contested mark in relation to “*thermometers, not for medical purposes*” (which covers thermostats for buildings) would constitute passing off, I find that use of the contested mark would create a likelihood of confusion with IR1201816 – NEST – in the light of the registration (and presumed use) of that mark in relation to “*electronic devices for environmental monitoring, control, and automation.*”

100. Having regard to the registration of EU14631287 (NEST thoughtful things) in relation to “*smoke alarms, carbon monoxide alarms, fire alarms, security alarms and sensors; environmental hazard detectors, namely, devices to detect and record the presence of water, humidity levels, heat, temperature, movement, motion, and sound; lighting control apparatus, namely, devices to sense ambient light; electronic video surveillance products, namely, digital video recorders and electronic components of*

*security systems*”, I find that there is a likelihood of confusion if the contested mark is used in relation to:

*Class 9: Thermometers not for medical purposes; electric doorbells; fire and smoke detectors; security cameras.*

101. My reasons for this finding are similar to those given in paragraphs 42 – 47 above. However, in reaching this conclusion I have taken into account the stylisation of the word NEST in the earlier registered EU mark as well as the addition of the tag line ‘thoughtful things’. Despite this, NEST remains the dominant and distinctive element of this mark. Indeed, I have found that a significant section of the relevant public would recall and refer to it orally as simply NEST, resulting in a high degree of aural similarity to the contested mark so far as this section of the relevant public is concerned<sup>26</sup>. I also found that there is a medium degree of visual similarity between the marks. Taken together with all other relevant factors, these points are sufficient to justify my conclusion that there is a likelihood of confusion with EU14631287.

102. I find that there is also a likelihood of confusion with EU14631287 to the extent that the applied-for goods in class 9 may be parts of *“electronic devices for environmental monitoring, control, and automation”, “climate control system consisting of a digital thermostat that can be controlled wirelessly from a remote location; smoke alarms, carbon monoxide alarms, fire alarms, security alarms and sensors; environmental hazard detectors, namely, devices to detect and record the presence of water, humidity levels, heat, temperature, movement, motion, and sound; lighting control apparatus, namely, devices to sense ambient light; electronic video surveillance products, namely, digital video recorders and electronic components of security systems.”*

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<sup>26</sup> There is no single meaning rule: see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch), Mann J.

103. This finding extends to:

*Class 9: Electrical Plugs; Wireless Speakers; Electrical Storage Batteries; Antennas; Speakers; Audio apparatus; Apparatus for the reproduction of sound.*

104. Having regard to the registration of EU14631287 (NEST thoughtful things) in relation to “*security alarms and sensors*” and “*electronic video surveillance products, namely, digital video recorders and electronic components of security systems*”, I find that there is also a likelihood of confusion if the contested mark is used in relation to:

*“remote control systems and components thereof - namely radio controls for garage and warehouse entrance doors and gates, automatic garage door openers, lights, motors, antennas, transmitters, receivers and controllers responding thereto and used in such systems.”*

105. In my view, there is a likelihood of average consumers mistaking the contested mark for EU14631287, if the former is used in relation to these highly similar goods.

106. On the other hand, I find that the differences between the contested mark and earlier marks IR1201816 and EU14631287, when combined with the differences between the goods/services, is sufficient to exclude the likelihood of confusion if the contested mark is used in relation to:

- (i) any of the goods covered by classes 11 and 14 of the application, and
- (ii) electrical sockets; electronic weighing scales for kitchen use; portable digital electronic scales; body fat scales for household use; goggles for sports; wireless chargers; battery chargers; multimedia projectors; micro USB cables; smartphone mounts; MP3 players; radios; smart watches, in class 9.

107. Earlier marks UK3410280 (G device & NEST) and UK3410717 (GOOGLE NEST) are registered for a wider range of goods/services than IR1201816 and EU14631287 and cover additional goods that must be treated as identical to additional goods

covered by the contested mark<sup>27</sup>. The opponent argues that the relevant public will see the NEST element of these earlier marks as a sub-brand and confuse the contested mark with it. However, I see no reason why the NEST element of UK3410280 would be considered as a sub-brand of the multi-coloured letter G device. This submission also appears to go against the guidance provided by the case-law that *“the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”*

108. Admittedly, the case-law also provides that *“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”*. I accept that NEST retains an independent distinctive role in earlier marks UK3410280 (G device & NEST) and UK3410717 (GOOGLE NEST). The correct approach to such matters is set out in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*<sup>28</sup>. Arnold J. (as he then was) considered the impact of the CJEU’s judgment in *Bimbo*<sup>29</sup> on the court’s earlier judgment in *Medion v Thomson* and concluded:

*“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,*

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<sup>27</sup> See paragraph 55(iii) above

<sup>28</sup> [2015] EWHC 1271 (Ch)

<sup>29</sup> Case C-591/12P

*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 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.”*

109. I find that there is insufficient similarity between the contested mark and earlier marks UK3410280 (G device & NEST) and UK3410717 (GOOGLE NEST) to create a likelihood of confusion, even where the marks are used in relation to identical goods. The overall level of visual and aural similarity is plainly less than in the case of the word NEST alone, or EU14631287 where NEST is the dominant and distinctive element of the mark. I therefore see no likelihood of direct confusion with UK3410280 (G device NEST) or UK3410717 (GOOGLE NEST).

110. Further, I do not consider it likely that average consumers are going to both (1) confuse the contested mark for NEST and (2) go to assume that the contested mark must be a sub-brand of Google or (even less likely) the multi-coloured letter G device in UK3410280. I therefore reject the opponent's submission that there is a likelihood of a combination of direct confusion between the contested mark and the NEST elements of these marks and, as a result, a likelihood of indirect confusion with GOOGLE NEST, or the multi-coloured G device and NEST mark.

111. For the same reasons, I also reject the s.5(2)(b) case based on earlier marks EU180636787, EU18088532, UK3409999 and EU18063678, which are variants of the G device & NEST mark I have already considered or (in the case of EU18063678) GOOGLE NEST again.

112. To summarise my findings under s.5(2) so far are that:

- (i) the opposition based on earlier marks UK3410280 (G device & NEST), UK3410717 (GOOGLE NEST), EU180636787, EU18088532, UK3409999 and EU18063678 has failed;
- (ii) the opposition based on IR1201816 and EU14631287 has partly succeeded, but only in class 9.

113. Having regard to s.5A of the Act, I find that the opposed application can proceed to registration in classes 11 and 14. The mark can also proceed to registration in class 9<sup>30</sup> in relation to:

Electrical sockets; electronic weighing scales for kitchen use; portable digital electronic scales; body fat scales for household use; goggles for sports; wireless chargers; battery chargers; multimedia projectors; micro USB cables; smartphone mounts; MP3 players; radios; smart watches; electrical plugs; wireless speakers; electrical storage batteries; antennas; speakers; audio apparatus; apparatus for the reproduction of sound; but not including any such goods being parts for electronic devices for environmental monitoring, control, and automation, or climate control systems, or smoke alarms, or carbon monoxide alarms, or fire alarms, or security alarms and sensors, or devices to detect and record the presence of water, humidity levels, heat, temperature, movement, motion and sound, or lighting control apparatus, namely, devices to sense ambient light, or electronic video surveillance products, namely, digital video recorders and electronic components of security systems.

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<sup>30</sup> Per the practice outlined in paragraph (b) of Tribunal Practice Notice 1/2012

114. I now turn to the opponent's ninth earlier trade mark, EU14887194, which consists of the word NEST. As noted above, it is still pending and subject to two oppositions at the EUIPO. I have considered whether it improves the opponent's case in this opposition. I find that it does not. This is because (i) the goods and services covered by this earlier mark are no more similar to those covered by the contested mark than those covered by the earlier marks I have already considered, and (ii) the opposition based on this earlier mark would not succeed to any greater extent than it has on the basis of the other earlier marks and/or the opponent's earlier unregistered right in NEST. There is therefore no need to make this decision a preliminary decision subject to the outcome of EUTM application 14887194.

### **The section 5(3) grounds of opposition**

115. Section 5(3) states:

*“(3) A trade mark which-*

*(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.*

Section 5(3A) states:

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

116. The opponent initially claimed that all nine of the earlier trade marks had a reputation in relation to all the goods/services for which they are registered, protected or applied for. However, it is apparent from Ms Burns' witness statement that the opponent has only used the earlier marks (or some of them) in relation to climate and

heating controls for buildings, home security systems, carbon monoxide detectors, fire alarms and video doorbells. The assessment of the opponent's reputation under s.5(3) must be limited to the goods for which the mark has been used and registered/protected.

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

- a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.
- (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.
- (d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.
- (e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

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

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

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

## Reputation

118. It is convenient to start by considering the opposition based on IR1201816 – NEST – which is protected in the EU in relation to *electronic devices for environmental*

*monitoring, control, and automation*, which I have found covers the thermostats marketed by the opponent under the mark. As the earlier mark is protected in the EU the qualifying reputation must also be in the EU. However, a qualifying reputation in the UK usually constitutes a reputation in the EU too<sup>31</sup>.

119. In *General Motors* the CJEU held that:

*“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.*

*26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.*

*27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”*

120. As I have already noted, the applicant disputes that the opponent has established that the earlier mark had a qualifying reputation at the relevant date.

121. The NEST mark appears to have been used in the UK for about 5 years prior to the relevant date in relation to automated heating and climate controls for buildings. There is evidence that the NEST thermostat was marketed in the UK through a partnership arrangement with Npower that started in May 2014. However, it is not clear whether or when this ended, and there is no evidence of the level of sales achieved through this arrangement.

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<sup>31</sup> *Pago International GmbH v Tirolmilch registrierte GmbH*, CJEU, Case C-301/07

122. There is evidence of some coverage of Nest products in UK publications, including national papers such as The Telegraph. It is clear from this that NEST products were on sale in the UK at major retailers. However, the number of articles in evidence from the UK or EU media prior to the relevant date is not so large as to demonstrate that the mark had a qualifying reputation in the UK or EU.

123. I have taken into account that Which? reviewed the Nest Learning third generation thermostat in May 2018 and recommended it as a ‘best buy’. However, this is but one award in the UK. It does not show that the mark had already acquired a reputation amongst the relevant public in the UK or EU.

124. Ms Burns provides the results of internet searches she conducted on the terms NEST THERMOSTAT and NEST. Although these searches recovered results from “any country” some of the results are from UK or EU websites. These again confirm that NEST products were on sale at major retailers, but they do not establish that the mark had a qualifying reputation in the EU, i.e. that the mark was “*known by a significant part of the public concerned by the products or services covered by that trade mark.*”

125. I also take into account the evidence of followers of NEST on social media accounts. The number of such followers does not appear to be overwhelming when judged by social media standards, i.e. it is in the thousands, not millions. Further, these are worldwide followers, not just followers in the EU.

126. Importantly, as I have already noted, the opponent has conspicuously failed to provide sales figures for any NEST products, or for amounts spent promoting the mark in the UK or EU.

127. In *Spirit Energy Limited v Spirit Solar Limited*<sup>32</sup>, Mr Phillip Johnson, as the Appointed Person, held that the opponent had not established a qualifying reputation for s.5(3) purposes. The opponent traded in solar energy equipment and installations and had used its mark in relation to such goods/services for 7 years prior to the

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<sup>32</sup> BL O/034/20

relevant date in the proceedings. During the 5 years prior to the relevant date, it had installed solar energy generation equipment in over 1000 domestic homes and made over 700 installations for commercial customers. These sales had generated nearly £13m in income. However, there was limited evidence of advertising and promotion, and the amount spent promoting the mark had fallen in the years leading up to the relevant date. Additionally, the mark had only been used in South East England and the Midlands. Taking all the relevant factors into account, the Appointed Person therefore decided that such use of the mark was not sufficient to establish a reputation for the purposes of s.5(3).

128. In my view, the opponent's evidence in this case is weaker than the evidence in *Spirit Energy*. Even considering the opponent's evidence as a whole, I find that it does not allow me to make an assessment of the section of the public for any particular goods/services which, because of the mark, identified those goods or services as originating from the opponent. I therefore reject the opponent's claim that NEST had a qualifying reputation in the EU at the relevant date in relation to thermostats for buildings. As this appears to be the high point of the opponent's case, it follows that the same applies to the other goods for which the opponent has shown some use of NEST.

129. The opponent's s.5(3) case based on NEST derivative marks is weaker. This is because (1) there is less evidence of use of these marks and (2) the use there is shows that some of them were used for only a short time prior to the relevant date, e.g. GOOGLE NEST and the G device/Nest composite mark.

130. The s.5(3) ground of opposition therefore falls at the first hurdle because the opponent has not shown that the earlier marks had the required qualifying reputation at the relevant date.

## Link

131. If the earlier marks, or at least the NEST mark, had a qualifying reputation in the EU at the relevant date, then I find that the relevant public<sup>33</sup> in the UK<sup>34</sup> would only make a link between the marks if the contested mark is used in relation to the goods for which the opposition under s.5(2)(b) has already succeeded. No such link would be made if the contested mark is used in relation to the goods set out in paragraph 113 above, i.e. the goods for which the s.5(2) opposition failed. Consequently, even if the earlier marks had a qualifying reputation at the relevant date, the s.5(3) ground would not have succeeded to any greater extent than the s.5(2) ground (or s.5(4)(a) ground).

132. This is because (1) if the earlier marks, or at least the NEST mark, had a qualifying reputation, then based on the evidence before me it could not have been more than a modest one, (2) the earlier mark is inherently distinctive to an average or normal degree and has not been shown to have acquired a highly distinctive character through use, (3) the goods set out in paragraph 113 above are either similar to those for which the earlier marks have a reputation to only a modest degree, or are dissimilar, and (4) the degree of similarity between the respective marks is not sufficient to trigger a mental link between the marks in the circumstances described in points (1) to (3).

133. Therefore, even if I had accepted that the NEST mark had a qualifying reputation, the opposition under s.5(3) would not have succeeded to any greater extent than the s.5(2)(b) ground.

## **Overall outcome**

134. The opposition to the registration of the contested mark in relation to goods in classes 11 and 14 fails. The contested mark may proceed to registration in these classes without amendment to the specification in these classes.

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<sup>33</sup> Being the public concerned with the applicant's goods in the context of the unfair advantage claim, and the public concerned with the goods for which the earlier marks have a reputation (if any) so far as the detriment to reputation/distinctive character claims are concerned.

<sup>34</sup> As the contested mark is applied for in the UK, the perception of the relevant UK public is all that is relevant to the required link.

135. The opposition to the registration of the mark in class 9 partly succeeds.

136. The contested mark may nevertheless proceed to registration in class 9 for:

Electrical sockets; electronic weighing scales for kitchen use; portable digital electronic scales; body fat scales for household use; goggles for sports; wireless chargers; battery chargers; multimedia projectors; micro USB cables; smartphone mounts; MP3 players; radios; smart watches; electrical plugs; wireless speakers; electrical storage batteries; antennas; speakers; audio apparatus; apparatus for the reproduction of sound; but not including any such goods being parts for electronic devices for environmental monitoring, control, and automation, or climate control systems, or smoke alarms, or carbon monoxide alarms, or fire alarms, or security alarms and sensors, or devices to detect and record the presence of water, humidity levels, heat, temperature, movement, motion and sound, or lighting control apparatus, namely, devices to sense ambient light, or electronic video surveillance products, namely, digital video recorders and electronic components of security systems.

137. This specification also overcomes the opposition under s.5(4)(a), which also partly succeeds so far as class 9 is concerned.

### **Costs**

138. Both sides have achieved a measure of success. I would therefore normally direct the parties to bear their own costs. However, the opponent failed to focus its case, as it had suggested it would do, after all-but-one of the earlier marks relied on were registered/protected. This resulted in the applicant having to address the similarity of all nine of the earlier marks in its written submissions of 6<sup>th</sup> February 2020. In my view, this added unnecessarily to the applicant's costs. I therefore order Google, LLC to pay Mpow Technology, Co., Ltd the sum of £200 towards the cost of

filing its written submissions<sup>35</sup>. This sum to be paid within 28 days of the end of the period allowed for appeal or, if there is an appeal, within 28 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

**Dated 14<sup>th</sup> May 2020**

**Allan James  
For the Registrar**

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<sup>35</sup> This is in line with Tribunal Practice Notice 1/2018

## Annex A

Number	Territory	Mark	classes	status
IR1125632	EU		9, 35 & 38	Protected
IR1201816	EU	NEST	9 & 42	Protected
14631287	EU		9	Registered
18063678	EU	GOOGLE NEST	9, 37, 38 & 42	Registered
18088532	EU		9, 37, 38 & 42	Registered
3409999	UK		As above	Registered
3410280	UK		As above	Registered
3410717	UK	GOOGLE NEST	As above	Registered
14887194	EU	NEST	9, 38, 41 & 42	Pending

## Annex B

Computer hardware for streaming and playing audio, video, and multimedia content, and for controlling televisions, monitors, gaming systems, DVD players, portable media players, and digital media streaming devices; Audio speakers; Loud Speakers; Wireless indoor and outdoor speakers; Voice controlled audio speakers; Electronic devices and computer software that allow the sharing and transmission of data and information between devices for the purposes of facilitating environmental monitoring, control, and automation; Climate control system consisting of a digital thermostat; Wireless cameras; digital cameras; motion activated cameras; video cameras; Electronic monitors and sensors for monitoring water, humidity levels, heat, temperature, air quality, light, movement, motion, sound, and the presence of people, animals and objects; Light switches; lighting control panels; light systems comprising light sensors and switches; Electronic locks; programmable locking systems; digital door locks; Electronic doorbells; electronic wirelessly enabled doorbells; electronic doorbells featuring a camera; intercoms; Smoke alarms, carbon monoxide alarms, fire alarms; access control and alarm monitoring systems; security alarm hubs; sound alarms; alarm sensors; security alarm controllers; keypads for use with security alarm devices; electronic key fobs being remote control apparatus; Stand alone information device, namely, voice and manual controlled audio speakers with personal digital assistant capabilities for streaming and playing audio, video, and multimedia content, for controlling televisions, monitors, gaming systems, DVD Players, portable media players, and digital media streaming devices; Stand alone information device, namely, voice and manual controlled audio speakers with personal digital assistant capabilities for accessing and searching online databases, websites, mobile phones, computers, tablets, smart phones, handheld computers, portable computers for documents, files, and other stored information on command; Stand alone information device, namely, voice and manual controlled audio speakers with personal digital assistant capabilities for providing personal concierge services for others initiated by voice-controlled commands via a mobile phone, computer, tablet, smart phone, handheld computer, portable computer, namely, adding and accessing calendar appointments, alarms, timers, reminders, making restaurant, travel, and hotel reservations, and making professional services appointments; Software for controlling home automation systems, namely, lighting, appliances, HVAC systems, thermostats, air quality monitors and sensors, alarms and other safety equipment, locks, doorbells, cameras, and home monitoring equipment; Software for streaming and playing audio, video, and multimedia content, and for controlling televisions, monitors, gaming systems, DVD players, portable media players, and digital media streaming devices. Installation of electronic devices, computer hardware, and security and surveillance products, HVAC systems, lighting, and appliances; certification services, namely, for the professional installation of electronic devices, computer hardware, and security and surveillance products, HVAC systems, lighting, and appliances. Telecommunication services, namely, transmission of emails, text messages, phone calls, voice, data, graphics, images, audio and video dips by means of telecommunications networks, wireless communication networks, and the Internet. Providing temporary use of online non-downloadable software for providing a personal voice-enabled digital assistant; Providing temporary use of online non-downloadable voice recognition software; Computer services, namely, providing a voice-controlled search engine for obtaining data, images, audio and video via a global computer network; Provision of

Internet search engines; Providing temporary use of online non-downloadable software used to provide voice-controlled information and communications; Electronic storage of electronic media, namely, images, text, audio, and video data; providing online non-downloadable software for recording, viewing, storing, sharing and analyzing online audio and video; Providing temporary use of online non-downloadable software for streaming and playing audio, video, and multimedia content, and for controlling televisions, monitors, gaming systems, DVD players, portable media players, and digital media streaming devices; Providing temporary use of online non-downloadable software for use in providing personal concierge services for others by voice-controlled commands via a mobile phone, computer, tablet, smart phone, handheld computer, portable computer, namely, adding and accessing calendar appointments, alarms, timers, reminders, making restaurant, travel, hotel reservations, and making professional services appointments; Providing temporary use of online non-downloadable software for monitoring and controlling home automation systems, namely, lighting, appliances, HVAC systems, thermostats, air quality monitors and sensors, alarms and other safety equipment, locks, doorbells, cameras, and home monitoring equipment; Computer services, namely, providing a website featuring technology that allows users to monitor and control home automation systems, namely, lighting, appliances, HVAC systems, thermostats, air quality monitors and sensors, alarms and other safety equipment, locks, doorbells, cameras, and home monitoring equipment at a remote location.