

O-298-15

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

**IN THE MATTER OF TRADE MARK APPLICATIONS 2555002A & 2560552A
BY FRIENDS LIFE MANAGEMENT SERVICES LIMITED
TO REGISTER THE FOLLOWING TRADE MARKS IN CLASSES 9 & 42:**

FRIENDS LIFE

&



AND

**OPPOSITIONS THERETO (NOs. 101411 & 101606) BY
MEDION AG**

Background and pleadings

1. The above trade marks were filed by Friends Life Management Services Limited (“the applicant”). Registration of the marks is opposed by Medion AG (“the opponent”) under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent originally relied on two earlier marks, but now relies on just one. Only certain goods and services were the subject of the opposition which led the applicant to divide out the other goods and services so that they could proceed to registration. Given all this, the dispute boils down to a conflict between the marks set out below.

Applied for marks	Earlier mark
<p>1) Application 2555002A which was filed on 26 July 2010 and published on 15 October 2010.</p> <p>FRIENDS LIFE</p> <p>Class 9: Computer software and hardware; computer programs; computer software and software upgrades supplied on-line from computer databases; computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet or intranets; compact discs; data protection apparatus; the aforementioned goods exclusively relating to or in connection with financial products and services.</p> <p>Class 42: Rental of computers, computer apparatus and computer equipment; the aforementioned services exclusively relating to or in connection with financial products and services.</p>	<p>Community trade mark 4585295 which was filed on 10 August 2005 and registered on 9 February 2015.</p> <p>LIFE</p> <p>Class 9: Magnetic encoders; magnetic data carriers; optical data media; data-processing apparatus; optical character readers; writing and/or reading implements (data processing); magnetic data carriers; mouse (data processing equipment); optical data carriers; disc exchangers (for computers); scanners [data processing equipment]; memories for data processing installations, processors (central processing units); <u>compact discs (read-only memory); compact discs (audio-video); computers; recorded computer programs; computer software [recorded]; games programs for computers; computer operating programs (recorded); computer peripheral devices; computer programs (downloadable); computer keyboards; printers for use with computers; wrist rests for use with computers; interfaces [for computers]; laptops (computers); floppy disc drives; monitors for computers; monitors (computer hardware), navigation apparatus (computer programs) for vehicles (onboard computers); notebooks (computers); computer peripheral devices; computer programs; computer software (recorded); computer game programs; keyboards for computers; make-up removing appliances, electric; grids for electric accumulators, chargers for electric accumulators, plates for electric accumulators, electric accumulators; alarm bells, electric; connection boxes (electricity), display apparatus (electric); electronic display panels; batteries, electric; flat</u></p>

2) UK application 2560552A which was filed on 4 October 2010 and published on 26 November 2010.

The logo for FriendsLife, featuring the word "Friends" in white on a dark blue background and "Life" in green on a white background.The logo for FriendsLife, featuring the word "Friends" in white on a dark blue background and "Life" in white on a dark blue background.

Class 9: As above

Class 42: As above

irons, electric; theft prevention installations, electric; electric wires; electrodynamic apparatus for the remote control of railway points; electric cables; electric capacitors; electromagnetic coils; electronic publications [downloadable]; electronic pens [visual display units]; discharge tubes, electric, other than for lighting; anti-interference devices (electricity); batteries, electric, for vehicles; electrodynamic signal remote control apparatus; photocopiers (photographic, electrostatic, thermic); inductance coils (electricity); electric devices for attracting and killing insects; wire connectors (electricity); door bells (electric); chargers for electric batteries; hair-curlers, electrically heated; welding apparatus, electric; soldering irons, electric; solenoid valves (electromagnetic switches); measuring devices, electric; electrically heated hair curlers; locks (electric); transmitters of electronic signals; electronic security tags for goods; socks, electrically heated; electronic pens (visual display units); buzzers electric; electronic pocket translators; electronic organisers; electric door bells; door openers, electric; door closers, electric; monitoring apparatus, electric; compact discs (audio-video); receivers (audio and video); tone arms for record players; head cleaning tapes [recording]; tone arms for record players; sound recording apparatus; tape-recorders; sound locating instruments; sound carriers; sound transmitting apparatus; sound amplifiers; sound-reproducing apparatus; amusement apparatus adapted for use with television receivers; temperature indicators; video telephones; loudspeaker boxes; letter scales; compact disc players; television apparatus; telephone apparatus; motion picture cameras; film cutting apparatus; radiotelephony sets; signalling bells; altimeters; cassette players; compasses; headphones; laser pointers (luminous pointers); microphones; mobile telephones; modems; navigational instruments; lenses (optics); mouse pads (mouse mats); plotters; projection apparatus; projection screens; slide projectors, radios; smartcards (cards with integrated circuits); video games adapted for use with television receivers only; walkie talkies; video cameras; video recorders; safety helmets for sports; none of the aforesaid goods being or featuring educational and/or

	<p>entertainment content intended for general circulation; the aforementioned goods exclusive of board game programs for computers, computer board games and video board games for use with television receivers only, electronic board games, video board games for a connection to a television, board games software, cards/discs/tapes/wires/circuits for bearing or bearing board games and/or games software and/or arcade board games, board gaming machines including slot machines.</p> <p>Class 42: Computer programming; conversion of data or documents from physical to electronic media; <u>hiring out data-processing equipment</u>; <u>recovery of computer data</u>; <u>updating of computer software</u>; computer consultancy; copying of computer programs; updating of computer software; computer software design; <u>rental of computer software</u>; consultancy in the field of computers; <u>recovery of computer data</u>; installation of computer programs, <u>maintenance of computer software</u>; computer systems design; systems analysis; design of computer systems; computer software design; design of computer systems; installation of computer programs; conversion of computer programmes and data (other than physical alteration); copying of computer programs; <u>computer software rental</u>; <u>maintenance of computer software</u>; recovery of computer data; conversion of data or documents from physical to electronic media; design and maintenance of websites for third parties.</p>
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The opponent's mark is registered for a wider range of goods and services, but it relies only upon the above. Furthermore, the goods and services underlined in the earlier mark's specification are identified in the opponent's written submissions as its "potentially more pertinent" goods and services.

2. Given its date of filing, the opponent's mark qualifies as an earlier mark in accordance with section 6 of the Act. Furthermore, given the date on which it was registered (after the publication of the applicant's marks) the proof of use provisions contained in section 6A of the Act do not apply. The earlier mark may, consequently, be taken into account for all the goods and services relied upon. In its pleading, the opponent cites in support of its position the judgment of the Court of the Justice of the European Union ("CJEU") in *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04) which involved a conflict between the marks THOMSON LIFE and LIFE. I will return to this case later.

3. The applicant filed a counterstatement. It makes a number of points including that its mark “hangs together” and that the word LIFE lacks inherent distinctive character. The applicant accepts, though, that the competing goods and services are either identical or similar.

4. The applicant is represented by Humphreys & Co, the opponent by Page Hargrave. The opponent filed evidence, the applicant filed written submissions. Neither side requested a hearing, both opting to file written submissions instead. In terms of the evidence filed by the opponent, I will comment upon it when it is relevant to the determinations that I need to make. For the record, though, the evidence comes from Mr Christian Eigen, the opponent’s Chief Financial Officer, who gives evidence about the use made of the earlier mark and, also, Mr Keith Gymer, a trade mark attorney at Page Hargrave, whose evidence introduces into the proceedings four earlier decisions/judgments in which the opponent has successfully relied on its earlier LIFE trade mark in other proceedings.

The case-law and legislation

5. Section 5(2(b) of the Act states that:

“5. - (2) A trade mark shall not be registered if because –

(a)

(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.”

6. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case 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.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

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

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

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

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

7. In their written submissions, the parties have made extensive arguments on the application of *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* case and, also, a further judgment of the CJEU in Case C-591/12P, *Bimbo SA v OHIM*. Mr Justice Arnold has summarised these cases (and others) in two notable decisions of which I will take account. The first is *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), [2013] ETMR 33 where Mr Justice Arnold stated:

“19. In *Medion v Thomson* Medion was the owner of the German registered trade mark LIFE for leisure electronic devices. Thomson marketed such products under the sign THOMSON LIFE. Medion claimed that this was an infringement. The Landgericht (Regional Court) Düsseldorf dismissed the claim on the ground that there was no likelihood of confusion. The Oberlandesgericht (Higher Regional Court) Düsseldorf referred the following question to the Court of Justice:

"Is Article 5(1)(b) of [the Directive] to be interpreted as meaning that where the goods or services covered by competing signs are identical there is also a likelihood of confusion on the part of the public where an earlier word mark with normal distinctiveness is reproduced in a later composite word sign belonging to a third party, or in a word sign or figurative sign belonging to a third party that is characterised by word elements, in such a way that the third party's company name is placed before the earlier mark and the latter, though not alone determining the overall impression conveyed by the composite sign, has an independent distinctive role within the composite sign?"

20. In its referring judgment the Oberlandesgericht explained that, according to the case law of the Bundesgerichtshof (Federal Court of Justice), which was based on the "Prägetheorie" (theory of the impression conveyed), in order to appreciate the similarity of the signs in issue, it was necessary to consider the overall impression conveyed by each of the two signs and to ascertain whether the common component (there LIFE) characterised the composite sign (THOMSON LIFE) to the extent that the other component (THOMSON) was largely secondary to the overall impression. There would be no likelihood of confusion if the common component merely contributed to the overall impression of the composite sign. It did not matter whether the sign corresponding to the trade mark still had an independent distinctive role in the composite sign.

21. In answering the Oberlandesgericht's question, the Court of Justice began by recapitulating the principles it had already laid down with regard to the assessment of likelihood of confusion (paragraphs (a)-(g) of the Registry's summary). It then stated:

"29. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue

derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34. This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35. Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36. It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.

37. Accordingly, the reply to the question posed must be that Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein. "

22. It can be seen that paragraph (k) in the Registry's summary accurately reflects what the Court of Justice said in *Medion v Thomson* at [29], which addresses what the Court of Justice described at [30] as "the usual case". Paragraph (k) does not reflect what the Court of Justice went on to say at [30]-[37] about the impact of a sign which forms part of a composite sign, but which has an independent distinctive role, on the likelihood of confusion.

23. *Medion v Thomson* has been referred to in many subsequent cases, but for present purposes it is only necessary to refer to six. I shall take them in chronological order.

24. In *Novartis Seeds BV's Application* [2006] ETMR 82 Novartis applied to register the word CANTO. The Registrar refused the application on the ground of conflict with an earlier registration for ERIC CANTONA CANTO for identical goods. Geoffrey Hobbs QC sitting as the Appointed Person distinguished the case from *BULOVA ACCUTRON* and *Medion v Thomson* on the ground that the average consumer would perceive the earlier mark as a doubling up of a name and its nickname rather than a house mark plus invented word. Accordingly, he did not consider that the word CANTO performed an independent distinctive role in the composite mark ERIC CANTONA CANTO.

25. In *DRILLISCH ALPHATEL Trade Mark Application* [2009] ETMR 27 the applicant applied to register "Drillisch ALPHATEL" as a trade mark in Germany. The opponent opposed the applicant on the ground of conflict with four earlier registrations for the trade mark ALCATEL for very similar goods and services. The opposition was dismissed on the ground that there was no likelihood of confusion. The opponent's appeal to the Bundespatentgericht (Federal Patent Court) was dismissed. Part of the Court's reasoning was that the opponent had failed to prove that its trade mark had acquired an enhanced distinctive character: see paragraph [7] of the ETMR report. More importantly for present purposes, the Court held that the respective signs were only very slightly similar for reasons which it expressed as follows:

"9 a) As to their overall impression, which in principle is to be given priority in assessing the risk of confusion between trade marks, irrespective of the priority in time of the signs being compared (cf. *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C-120/04) [2005] E.C.R. I-8551; *Sabel v Puma*), the marks being compared immediately differ visually, aurally and conceptually because of the addition of 'Drillisch' in the contested mark; moreover there are significant visual differences between the contested marks, which are merely protected as word marks, and the marks relied on, nos 1 139 897 and IR 525 160, because of their graphical format.

10 b) Contrary to the understanding of the opponent, the contested mark is also not characterised solely by the ALPHATEL component.

11 aa) Insofar as the opponent relies on the judgment of the European Court of Justice (ECJ) in *Medion* on this point, and argues that the ALPHATEL component has independent distinctive effect, it misunderstands what is said in that judgment. As the ECJ expressly emphasises, in fact (cf. cited above at [30]), the situation where individual elements of a composite mark are independently distinctive is an exception from the general principle of assessment by reference to the overall impression, or by reference to the impression conveyed by individual component parts of the mark 'in a particular case' only

when the contested mark is made up of a composite of the old mark and the company name of the proprietor of the new mark. The present case does not involve any such adoption of the old sign, however, because the ALPHATEL and ALCATEL components of the mark are not identical. There is no reason for an extension of the case law of the ECJ on 'adoption' (which, anyway conceptually speaking, is not present in this case) of a sign which is merely similar to the old mark and the addition of the company name of the proprietor of the contested mark, because of the clear wording of the judgment on the rule-exception-relationship, so that on this question no preliminary ruling will be obtained from the ECJ under art.234 EC nor any appeal on a point of law permitted under s.83(2) of the Trade Mark Law (Germany) .

12 bb) Insofar as the opponent further considers that the 'Drillisch' part of the contested mark is less significant because it is the producer's name, it also misunderstands, fundamentally, that the case law of the Federal Supreme Court does not permit such an inference to be drawn (cf. *Mustang* BGH [2004] GRUR 865, 866). For the field of telecommunications, which was the field it principally considered, the Federal Supreme Court has moreover even accorded the producer's name significance as one of the factors conveying an impression (cf. *T-INNOVA/Innova* BGH [2003] GRUR 70, 73), so that in relation to the goods and services sector at issue here, it is to be assumed that in the eyes of the public to whom the mark is directed the 'Drillisch' component of the mark not only is not of secondary importance, but in fact represents the element which actually conveys an impression. It is not necessary to decide whether it is still possible to maintain differentiation by sector in the wake of the *Medion v Thomson* judgment (critical of this, Ströbele/Hacker, *Markengesetz*, 8th edn (2006), §9 para.289), because in the opinion of the ECJ—differing in this respect from the Federal Supreme Court—the producer's name always dominates a sign made up of more than one part (cf. *Medion v Thomson* at [34]), so that even when the more recent Supreme Court case law of the ECJ is used as a basis for decision making, the 'Drillisch' component of the mark in the contested mark has at least contributory if not dominant significance in the impression conveyed by the contested mark."

26. It can be seen from this reasoning that the Federal Patent Court held that *Medion v Thomson* did not extend to the case where the composite sign incorporated a sign which was merely similar to, rather than identical with, the earlier trade mark.

27. In *OHIM v Shaker* Shaker applied to register the following figurative mark as a Community trade mark:

[omitted]

28. The application was opposed by Limiñana y Botell, SL on the basis of an earlier Spanish registration for word LIMONCHELO. The OHIM Opposition

Division upheld the opposition, essentially because it considered that the dominant element of the mark applied for was the word LIMONCELLO which was confusingly similar to LIMONCHELO. The Second Board of Appeal dismissed Shaker's appeal. The Court of First Instance (now the General Court) allowed an appeal by Shaker. On an appeal by OHIM, the Court of Justice set aside the judgment of the CFI and remitted the case back to that court. The Court of Justice held that the CFI had misapplied Article 8(1)(b) for the following reasons:

"35. According to further settled case-law, the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see *SABEL*, paragraph 23; *Lloyd Schuhfabrik Meyer*, paragraph 25; *Medion*, paragraph 28; *Mülhens v OHIM*, paragraph 19; and order in *Matratzen Concord v OHIM*, paragraph 29).

...

37. In the present case the Court of First Instance, at paragraph 49 of the judgment under appeal, noted the case-law mentioned in paragraph 35 of the present judgment according to which the global appreciation of the likelihood of confusion must be based on the overall impression created by the signs at issue.

38. However, it stated in paragraph 54 of the judgment under appeal that, if the trade mark claimed was a complex mark which was visual in nature, the assessment of the overall impression created by that mark and the determination as to whether there was a dominant element had to be carried out on the basis of a visual analysis. It added that, in such a case, it was only to the extent to which a potentially dominant element included non-visual semantic aspects that it might become necessary to compare that element with the earlier mark, also taking into account those other semantic aspects, such as for example phonetic factors or relevant abstract concepts.

39. On the basis of those considerations, the Court of First Instance, in the context of the analysis of the signs at issue, firstly held that the mark for which registration was sought contained a dominant element comprising the representation of a round dish decorated with lemons. It then inferred, in paragraphs 62 to 64 of the judgment under appeal, that it was not necessary to examine the phonetic or conceptual features of the other elements of that mark. It finally concluded, in paragraph 66 of the judgment, that the dominance of the figurative representation of a round dish decorated with lemons in comparison

with the other components of the mark prevented any likelihood of confusion arising from the visual, phonetic or conceptual similarities between the words 'limonchelo' and 'limoncello' which appear in the marks at issue.

40. However, in so doing, the Court of First Instance did not carry out a global assessment of the likelihood of confusion of the marks at issue.

41. It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42. As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element."

29. It can be seen that paragraph (l) in the Registry's summary accurately reflects what the Court of Justice said in *OHIM v Shaker* at [42]. In my view it is clear that in that paragraph the Court of Justice was merely adding a slight clarification to what it had said in *Medion v Thomson* at [29], which it had repeated in the preceding paragraph. This is nothing to suggest that it intended to qualify in any way what it had said in *Medion v Thomson* at [30]-[37]. Nor did it have any occasion to do so, since *OHIM v Shaker* was factually a different kind of case to *Medion*.

30. In *Rousselon Frères et Cie v Horwood Homewares Ltd* [2008] EWHC 881 (Ch), [2008] RPC 30 Horwood was the proprietor of registrations for JUDGE SABATIER and STELLAR SABATIER. Rousselon applied for a declaration of invalidity on the ground of conflict with several earlier registrations, one of which was of the word SABATIER on its own. The hearing officer dismissed the application. Warren J allowed the appeal on the ground that the hearing officer had failed correctly to apply *Medion v Thomson*.

31. In his judgment Warren J said this:

"90. The Court in *Medion* was clear in its rejection of any precondition to a finding of likelihood of confusion that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark. In the present case, such a precondition would, of course, mean that there is no likelihood of confusion because, on Mr Foley's findings of fact, SABATIER was not the dominant element of HH's Marks. Although as noted in paragraph

23 above, the actual answer given by the Court related to the absence of such a precondition, it is clear from the decision that there will be a likelihood of confusion if the earlier mark retains an independent distinctive role in the later composite mark.

91. In this context, paragraph 34 of the Judgment is of great importance in stating that this independent distinctive role will be present in the examples given. There is no material difference between those examples and the present case, (see paragraph 93 below). It may be that, in some circumstances, an earlier mark may not retain any independent distinctive role, a possibility which is consistent with the language of paragraph 31 ('.....it is quite possible...') and paragraph 31 ('....the overall impression producedmay lead....'). But that would surely be an exceptional case. As it is said in paragraph 36 ' in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public to the owner of that mark'. Thus where the earlier mark is a word mark, and that earlier mark forms part of a composite mark itself comprising words (whether with or without a further device), it may be difficult, or so it seems to me, to resist the conclusion that the earlier mark does indeed retain an independent distinctive role.

92. Mr Arnold submits that *Medion* is simply a particular application of the ECJ's earlier case-law which I have already mentioned. I agree with that, as does Mr Vanhegan. But it is a particular application which shows how the ECJ regards a composite mark which includes an earlier mark which retains an independent distinctive role. Of course, the actual test which must not be lost sight of remains whether, because of similarity of marks, there is a likelihood of confusion. The court in *Medion* does not in any way abandon that test. It does not say that a composite mark which contains an earlier mark will always carry a likelihood of confusion; rather, it says that there is such likelihood if the earlier mark has an independent distinctive role. However, the assessment whether the earlier mark does have such a role is, I consider, something which has to be decided before answering the question whether there is a likelihood of confusion. To elide the question of an independent distinctive role with the question of the likelihood of confusion runs the risk of answering the former question by first providing an answer to the latter. That would be to answer the question 'Is there a likelihood of confusion' with the answer 'Yes, if there is a likelihood of confusion' when the answer should be 'Yes, if the earlier mark retains an independent distinctive role'."

32. In this passage Warren J came quite close to saying that, if the earlier mark retains an independent distinctive role within the composite sign, then it must follow that there will be a likelihood of confusion. I do not think he went quite that far, however, since he recognised that the ultimate test remains whether there is a likelihood of confusion. In any event, as counsel for Dabur

submitted, what the Court of Justice said at [37] of *Medion v Thomson* is that there "may be" a likelihood of confusion in those circumstances.

33. In Joined Cases T-5/08 to T-7/08 *Société des Produits Nestlé v OHIM* [2010] ECR II-1177 the applicant applied to register three Community trade marks consisting of the words GOLDEN EAGLE and an image of a red coffee mug placed on coffee beans. Nestlé opposed the applications on the grounds of conflict with various registrations consisting of a similar image of a red coffee mug on coffee beans for identical goods. The Opposition Division refused the oppositions finding the respective marks to be dissimilar. The Board of Appeal upheld the decision. Nestlé (represented, it may be noted, by the distinguished German trade mark lawyer Alexander von Mühlendahl) appealed to the General Court. The General Court annulled the decision of the Board of Appeal. It found that Nestlé's mark and the corresponding element in the composite mark were similar and that there was some, albeit slight, overall visual and conceptual similarity between the marks. Accordingly, the Court concluded that the Board of Appeal should therefore have assessed the likelihood of confusion.

34. In this context the General Court held at [60]:

"It must also be pointed out that, according to the case-law, where a composite mark is composed by juxtaposing one element and another mark, that latter mark, even if it is not the dominant element in the composite mark, still can have an independent distinctive role therein. In such a case, the composite mark and that other mark may be held to be similar (see, to that effect, *Medion*, paragraph 28 above, paragraphs 30 and 37). It must be observed that *Medion*, paragraph 28 above, concerned a situation in which the earlier mark had been reproduced identically in the later mark. Nevertheless, it must be held that, in the event that the earlier mark is not reproduced identically in the later mark, it is still possible that the signs at issue are similar on account of the similarity between the earlier mark and one element of the later mark which has an independent distinctive role."

35. It does not appear, however, that the General Court's reasoning was based on a finding that the image of a red coffee mug on coffee beans had an independent distinctive role in the marks applied for. Rather, its reasoning was based on an overall assessment of similarity.

36. In Case T-569/10 *Bimbo SA v OHIM* [2012] ECR II-0000, [2013] ETMR 7 the applicant applied to register BIMBO DOUGHNUTS as a Community trade mark. The application was opposed on the basis of an earlier Spanish registration for DOUGHNUTS covering identical and similar products. The opposition was successful. The applicant's appeal to the Board of Appeal was dismissed. The applicant appealed to the General Court. The General Court agreed with the lower tribunals that there was a likelihood of confusion and dismissed the appeal.

37. A key part of the General Court's reasoning was as follows:

"96. According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60).

97. In this case, the 'doughnuts' element, which is almost identical to the earlier trade mark, has an independent distinctive role in the mark applied for. Indeed, contrary to what is claimed by the applicant, that element is not devoid of distinctive character but on the contrary has average distinctive character for the part of the relevant public which is not familiar with English. Furthermore, since the 'doughnuts' element is wholly meaningless for that consumer, the mark applied for, BIMBO DOUGHNUTS, does not form a unitary whole or a logical unit on its own in which the 'doughnuts' element would be merged. The part of the relevant public which is not familiar with English will not be able to understand the sign at issue as meaning that the goods concerned are doughnuts produced by the undertaking Bimbo or by the proprietor of the trade mark BIMBO."

38. It should be noted that, although the General Court held that DOUGHNUTS was "almost identical" to DOGHNUTS, it did not proceed on the basis that the average consumer would perceive it as being identical. An appeal to the CJEU against the decision of the General Court is pending as Case C-591/12 P.

8. The second is Mr Justice Arnold's decision in *Whyte & MacKay Ltd v Origin Wine UK Ltd and Dolce Co Invest Inc* [2015] EWHC 1271 (Ch)¹, where, after cross-referencing to his earlier decision above, Mr Justice Arnold added some further analysis in relation to what the CJEU had stated in *Bimbo*:

"17. I reviewed *Medion v Thomson* and six subsequent cases in *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), [2013] ETMR 33 at [19]-[38]. I shall take that analysis as read, and will not repeat it here. Since then, the CJEU has given judgment in Case C-591/12 P *Bimbo SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:305]. The facts of that case and the reasoning of the General Court are summarised in *Aveda v Dabur* at [36]-[38]. The Court of Justice dismissed the applicant's appeal, holding:

¹ Because this was issued after the end of the subject proceedings, I highlighted it to both parties and provided a short opportunity to comment. I will reflect upon the comments later.

"22. The assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole (*OHIM v Shaker* EU:C:2007:333, paragraph 41).

23. The overall impression conveyed to the relevant public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker* EU:C:2007:333, paragraphs 41 and 42, and *Nestlé v OHIM* EU:C:2007:539, paragraphs 42 and 43 and the case-law cited).

24. In this connection, the Court of Justice has stated that it is possible that an earlier mark used by a third party in a composite sign that includes the name of the company of the third party retains an independent distinctive role in the composite sign. Accordingly, in order to establish the likelihood of confusion, it suffices that, on account of the earlier mark still having an independent distinctive role, the public attributes the origin of the goods or services covered by the composite sign to the owner of that mark (Case C-120/04 *Medion* EU:C:2005:594, paragraphs 30 and 36, and order in Case C-353/09 P *Perfetti Van Melle v OHIM* EU:C:2011:73, paragraph 36).

25. None the less, a component of a composite sign does not retain such an independent distinctive role if, together with the other component or components of the sign, that component forms a unit having a different meaning as compared with the meaning of those components taken separately (see, to that effect, order in Case C-23/09 P *ecoblue v OHIM and Banco Bilbao Vizcaya Argentaria* EU:C:2010:35, paragraph 47; *Becker v Harman International Industries* EU:C:2010:368, paragraphs 37 and 38; and order in *Perfetti Van Melle v OHIM* EU:C:2011:73, paragraphs 36 and 37).

26. In the present case, the General Court found, in paragraphs 79 and 81 of the judgment under appeal, that, even if the element 'bimbo' were dominant in the trade mark for which registration was sought, the 'doughnuts' element was not negligible in the overall impression produced by that trade mark and, accordingly, the 'doughnuts' element had to be taken into account in the comparison of the trade marks at issue.

27. In paragraph 97 of that judgment, the General Court stated that, since the 'doughnuts' element is wholly meaningless for the relevant public, that element did not form, together with the other element of the sign, a unit having a different meaning as compared with the meaning of those elements taken separately. It accordingly found that the 'doughnuts' element still had an independent distinctive role in the

trade mark for which registration was sought and had therefore to be taken into account in the global assessment of the likelihood of confusion.

28. In paragraph 100 of the judgment under appeal, the General Court held that, in the light of all factors relevant to the case, the global assessment confirmed the Board of Appeal's conclusion that there was a likelihood of confusion.

29. Accordingly, the General Court did not conclude that there was a likelihood of confusion merely from the finding that, in the trade mark applied for, the 'doughnuts' element has an independent distinctive role, but based its conclusion in that regard on a global assessment that included the different stages of the examination required under the case-law referred to in paragraphs 19 to 25 above, and in the course of which it took into account the factors of the case. It thus correctly applied Article 8(1)(b) of Regulation No 40/94.

...

33. ... in so far as Bimbo argues that the General Court disregarded the rule that a finding that one component of a composite sign has an independent distinctive role constitutes an exception, that must be duly substantiated, to the general rule that the consumer normally perceives a trade mark as a whole, it should be pointed out that the purpose of examining whether any of the components of a composite sign has an independent distinctive role is to determine which of those components will be perceived by the target public.

34. Indeed, as the Advocate General observed in points 25 and 26 of his Opinion, it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, *inter alia*, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.

35. The determination of which components of a composite sign contribute to the overall impression made on the target public by that sign is to be undertaken before the global assessment of the likelihood of confusion of the signs at issue. Such an assessment must be based on the overall impression produced by the trade marks at issue, since the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, as has been stated in paragraph 21 above. Therefore, this does not involve an exception, that must be duly substantiated, to that general rule.

36. Moreover, the individual assessment of each sign, as required by the settled case-law of the Court of Justice, must be made in the light

of the particular circumstances of the case and cannot therefore be regarded as being subject to general presumptions. As the Advocate General observed in point 24 of his Opinion, it is clear, in particular, from the case-law subsequent to *Medion* (EU:C:2005:594), that the Court of Justice did not introduce, in that judgment, a derogation from the principles governing the assessment of the likelihood of confusion."

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

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

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

The goods/services

9. The applicant accepts the opponent's claim that the respective goods/services are identical or similar. However, given point (g) in paragraph 6 above, whether the goods/services are identical or just similar (and to what degree) is a factor that needs to be taken into account in the global assessment of the likelihood of confusion. I must, therefore, give my view on the matter.

10. In relation to understanding what terms used in the respective specifications mean/cover, the case-law informs me that "in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter,

regarded for the purposes of the trade”² and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning³. I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

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

11. Even if goods/services are not worded identically, they can still be considered identical if one term falls within the ambit of another (or vice versa), as per the judgment in *Gérard Meric v OHIM*, Case T-133/05.

12. In its counterstatement the applicant accepts that the following class 9 goods are identical to goods covered by the earlier mark:

Computer software and hardware; computer programs; computer software and software upgrades supplied on-line from computer databases; computer software and telecommunications apparatus (including modems) to enable connection to databases and the Internet or intranets; compact discs; the aforementioned goods exclusively relating to or in connection with financial products and services.

Given that identity is conceded, I need say no more about this.

13. In class 9, that leaves:

Data protection apparatus, exclusively relating to or in connection with financial products and services.

14. The applicant concedes that the above goods are similar to goods covered by the earlier mark. In its written submissions the opponent makes some general comments on identity/similarity, but then highlights specific goods covered by the earlier mark such as “theft prevention apparatus”, “locks (electric)”, “electronic security tags” and “monitoring apparatus” and, also, its class 42 services “recovery of computer data”. I have doubts as to whether the specific goods the opponent

² See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

³ See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

highlights are particularly similar. The term being considered is “data protection apparatus” which does not suggest to me a product to prevent theft but more a product to prevent the loss of data when a computer system or program is being used. Whilst the data loss could be through hacking etc which is, effectively, a form of theft, it would be stretching the meanings of the respective words to come to the conclusion that one is talking about the same types of products. Nevertheless, the earlier mark does cover various computer programs (unqualified) which could be for data protection purposes. Whilst this may not qualify as “apparatus”, and consequently the method of use and inherent nature may be different, I still consider that such goods would be highly similar given that they could be used for the same purpose, the goods would compete, would be sold through the same trade channels to the same types of user. Additionally, and although the opponent did not underline it in its written submissions, I note that the earlier mark covers data processing equipment. Even if this does not cover the applied for term within its ambit, it would nevertheless serve a key complementary role in protecting data that is being processed; those goods would, thus, be reasonably similar also. I do, though, agree with the opponent that its class 42 services (recovery of computer data) has at least a reasonable degree of similarity with the above goods. Although the nature and method of use is different, the goods/services serve a similar purpose and could be offered by the same undertakings; there would also appear to be a complementary relationship in play.

15. The services applied for in class 42 are:

Rental of computers, computer apparatus and computer equipment; the aforementioned services exclusively relating to or in connection with financial products and services.

16. The services of the earlier mark the opponent highlighted as being “potentially more pertinent” are:

Hiring out data-processing equipment; recovery of computer data; updating of computer software; rental of computer software; recovery of computer data; maintenance of computer software; computer software rental; maintenance of computer software

17. The applicant accepts similarity. However, I consider the services to be identical. The earlier mark covers “hiring out data-processing equipment”. The applied for services are “rental of computers, computer apparatus and computer equipment”. The terms “hiring out” and “rental” are equivalent terms. “Computers, computer apparatus and computer equipment” are forms of “data-processing equipment”. The applied for services, thus, fall within the ambit of the earlier mark’s services. Even if this were not right, it is clear that they would, in any event, be highly similar.

Average consumer and the purchasing act

18. 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, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

19. Computer based equipment and apparatus is purchased by both members of the public or businesses. Either way, it is not a causal purchases. Considerations will be given to issues of compatibility, fitness for purpose, etc. The goods are not generally low cost items. This suggests a degree of care higher than the norm (although not at the very highest level). In relation to software products, such goods range from quite low cost to quite high cost ones. However, even when they are not expensive, considerations will still need to be given to system compatibility, performance requirements, fitness for purpose etc. The degree of care and attention will be at least reasonable, but slightly higher than the norm for more expensive products. In terms of the class 42 services, the (conflicting) services will be selected with, again, a degree of attention slightly higher than the norm. The decision on the rental service provider will reflect the reliability of the provider, what they can offer, what terms they provide etc. The marks will be encountered through a variety of means such as advertisements, brochures, websites etc. The goods could be self selected from the shelves of retail establishments (or the online equivalent) and the services obtained through business premises or their websites. This suggests that visual considerations are important. However, the aural impacts of the marks should not be ignored because aural use would include speaking to salespeople for advice on the goods/services being selected. I should add that I do not consider the limitation to the applied for specification (relating to financial products and services) to impact on the above analysis as the inherent nature of the goods/services is not changed and the terms use would still cover a range of goods and services albeit within the field described.

Distinctiveness character of the earlier mark

20. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of

other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

21. In its counterstatement the applicant stated that the earlier mark lacks inherent distinctive character. However, in its written submissions it stated that the mark, whilst not "exclusively descriptive", is "laudatory and so possessed of weak inherent distinctive character". It would not have been open to me to find that the earlier mark lacks distinctive character completely. Whilst there are mixed national authorities on the point⁴, the judgment of the CJEU in *Formula One Licensing BV v OHIM* indicates that a registered trade mark must be considered to have at least a minimum degree of distinctive character. It is important, though, to still consider the strength of that distinctive character and, also, to bear in mind that a trade mark's distinctive character can be the result of its inherent qualities and/or through the use made of it.

22. In terms of inherent qualities, the applicant's submission as to weak inherent distinctiveness is based on the word LIFE being a common word in everyday usage, a word which is well understood by the English speaking public. It states that the word conveys "connotations of "lifestyle" and "everyday" in the context of the opponent's goods and services relied upon.

23. The opponent submits that its earlier mark is inherently distinctive per se. In support, it refers in written submission to the General Court's judgment in *LIFE BLOG v LIFE* (T-460/07). However, all this case states is that "it cannot reasonably be argued that the word "life" is in any way descriptive of the goods and services referred to". That finding of fact is, of course, not binding upon me, but even if this statement supports the view that the mark is inherently distinctive, it says nothing about the strength of that inherent distinctive character. In the evidence filed by Mr Gymer, he provides a copy of the case referred to above, together with three other cases where the opponent has successfully relied upon its LIFE mark against another mark containing the word LIFE. In terms of the distinctiveness factor in these other three cases I note that: i) in an IPO decision issued in 2010, the hearing officer accepted that the Opponent's LIFE mark was inherently distinctive, but did not say to what degree, ii) in the judgment of the CJEU in the *Medion* case, no findings or comments were made in relation to the distinctiveness of the word LIFE, and iii) in a decision of the Board of Appeal ("BoA") in case R 141/2007-2 (the *LIFE BLOG v*

⁴ Compare *Wella Corporation v Alberto-Culver Company* [2011] EWHC 3558 with *Samuel Smith Old Brewery v Philip Lee* [2011] EWHC 1879 at paragraph 82

LIFE which was subsequently appealed to the GC) the BoA stated that it cannot be inferred that the mark has a weak level of distinctiveness; however, in making its observations the BoA gave some significance to the fact that they were considering the matter from the context of the German speaking average consumer.

24. In his evidence, Mr Eigen states that the earlier mark has been held to have “normal” distinctiveness. Even if this were so, those findings would not be binding upon me. In any event, none of the authorities are good authorities to assist me in determining what level of inherent distinctive character the earlier mark has. The mark cannot be accorded a low level of distinctiveness simply because it is a common/everyday word. However, I think the applicant’s arguments have some merit in terms of the allusive message the mark sends. *LIFE* is a word indicative of a person’s day to day existence, an existence during which many goods and services will be used. It is the sort of word which sends suggestive messages of the relevant goods fitting in with one’s life or lifestyle. I accept, though, that such a message is fairly unspecific. I would not pitch the level of distinctiveness as low or weak (the applicant’s position), but nor would I pitch it at a normal level of distinctiveness (the opponent’s position). The degree of distinctiveness falls between the two, what I would describe as a moderate level of inherent distinctive character.

25. In terms of whether that moderate level of inherent distinctive character has been enhanced through the use made of the mark, I firstly note that the opponent makes no claim to enhanced distinctiveness in either its notice of opposition or written submissions. Having assessed the opponent’s evidence, there are a number of reasons why I consider it to be insufficient to have materially enhanced the earlier mark’s distinctive character. Although it is clear from Mr Eigen’s witness statement that the mark has been used in relation to goods (various computer goods and consumer electronics) in the UK⁵, the sales/marketing has been through just one outlet (Aldi). Furthermore, no advertising/promotional figures are given, and the nature of use is as part of a composite mark *MEDION@LIFE®*, often with *LIFE* being given less prominence. Whilst the turnover is said to be around 1 million Euro per annum between 2008 and 2010, this, across a range of goods, is unlikely to represent much of a share in the relevant market(s). Taking these points together, my view is that the use of the mark will have had little impact upon the UK average consumer.

Comparison of marks

26. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) 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. The CJEU stated at paragraph 34 of its judgment in *Case C-591/12P, Bimbo SA v OHIM*, that:

⁵ The perspective from the UK is what is important because it is the UK average consumer that is relevant when assessing the likelihood of confusion.

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

27. 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. The marks to be compared are:

Applied for marks	Earlier mark
<p data-bbox="193 748 523 792">FRIENDS LIFE</p>  	<p data-bbox="703 748 804 792">LIFE</p>

28. The earlier mark is comprised of just one word, upon which its overall impression will be based. However, the applied for marks contains two words FRIENDS and LIFE and, additionally, the series of two marks also has some stylisation. The stylisation and the small device element (which the applicant describes as a “hug” device”) contained in the letter “i” of Friends has much less relative weight than the words FRIENDS LIFE. In terms of the words, the opponent submits that the word LIFE retains an independent distinctive role in the applied for marks and that the word FRIENDS is inherently descriptive and would not even have a minimum degree of distinctive character on its own. However, despite submitting that FRIENDS retains an independent distinctive role, it goes on to submit that FRIENDS is a descriptive qualifier. I consider there to be something of a tension in these submissions. If one word is acting as some form of qualifier of the other word then the word being qualified is not retaining an independent role. The applicant submits that a unit is formed of a “perfectly normal grammatical combination” of words. It adds, though, that the word FRIENDS is the most dominant element given that it is at the beginning of the mark and that consumers normally read from left to right.

29. I do not consider that the word FRIENDS or LIFE dominates the other. Both words are as important to the phrase that it produces as the other. Neither word is given greater prominence in the overall impression of the mark. My use of the word “phrase” is important. I consider, in line with the applicant’s submission, that the two words hang together as a natural word combination. Despite the absence of an apostrophe, FRIENDS LIFE will naturally be taken as a reference to the life of a friend or friends. It would in my view be an unnatural view to regard FRIENDS and LIFE as two independent elements. Thus, whilst I will come back to the submissions

regarding *Medion* and the other relevant cases, it is the visual, aural and conceptual similarity of the marks as a whole that I focus on here, bearing in mind what I have said above with regard to the marks' overall impression.

30. From a visual perspective, both marks contain the word LIFE. It is the only element in the earlier mark and the second word in the applied for marks. There is, though, a difference on account of the additional word Friends at the beginning of the applied for marks which creates a noticeably longer mark(s) as a whole. The figurative element in the series of two applied for marks also creates a difference, but not a significant one given that this element has much less relative weight in their overall impression. I consider there to be just a moderate level of visual similarity between the applied for marks and the earlier mark. The same reasoning applies to the aural assessment, with the same similarities and differences (other than that the figurative element will not, of course, be articulated); there is a moderate level of aural similarity.

31. In terms of concept, the applied for marks will be conceptualised on the basis of a friend's or friends' life. The earlier mark refers to the word life in general, which creates a more nebulous concept in terms of what the average consumer will take from it. That both marks make a reference to life of some sort creates a degree of conceptual similarity, but given the more precise meaning created by the applied for marks, I consider any similarity to be of only of a low degree.

Likelihood of confusion

32. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

33. I will focus initially on the goods and services I found to be identical as the opponent will be in its best position here. That there is identity is an important point because a lesser degree of similarity between the marks may be offset by a greater degree of similarity (in this case identity) between the goods/services. That I consider the words in the applied for mark to form a word combination that hangs together, means that the situation in *Medion* (and the other similar cases) is not really applicable. However, this, in and of itself, does not rule out the existence of a likelihood of confusion. One must still look at the similarity between the marks as a whole (as assessed earlier) and consider whether the average consumer will be confused. Confusion can be direct, in the sense that one mark is mistaken for the other, or indirect, in the sense that the average consumer will put some similarity between the marks down to the fact that the undertakings responsible for the goods are the same or are related. In terms of the former, direct confusion, I come to the view that this will not arise. Even bearing in mind the concept of imperfect recollection, I very much doubt that the marks will be misremembered or misrecalled as each other. Although they share the word LIFE, as a whole the marks are noticeable different and this will be recalled by the average consumer. **There is no likelihood of direct confusion.**

34. In terms of indirect confusion, this was summed up by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

35. Of course, I bear in mind that the three categories of indirect confusion identified by Mr Purvis are just illustrative – he stated that indirect confusion “tends” to fall in one of them. The categories should not, therefore, be considered a straightjacket. In my view there will be no indirect confusion, in any of the categories identified by Mr Purvis, or any other categories. The word LIFE is an everyday English word. The average consumer will not assume that the use of this word in the respective marks is indicative of a shared economic origin. The use will be put down to co-incidence not economic connection. **There is no likelihood of indirect confusion.**

36. I should add, in case of appeal, that even if I had considered that the words FRIENDS and LIFE were separate elements, I still do not consider that a likelihood of confusion would arise. Whilst in this situation the earlier mark would have been identical to an element of the composite mark which has distinctive significance independent of the whole, and whilst in such a situation this may result in confusion, confusion does not follow in every case. I have held that the earlier LIFE mark has less than a normal degree of distinctive character. The same would apply to

FRIENDS, I consider that as part of the composite mark it would have some, but only a moderate, degree of inherent distinctiveness. The opponent submits that the situation here is not akin to the *Origin* case mentioned earlier because the word ORIGIN is so low in distinctiveness. I take nothing from the facts of the *Origin* case *per se*. The matters must be judged on the marks and facts before me. Nevertheless, bearing everything in mind, I consider that the average consumer will not make the assumption that the opponent is asking me to make. Again, the average consumer will put the sharing of this word down to a co-incidental use of only a moderately distinctive word and will not assume that the responsible undertakings are the same or are related. **Therefore, even if, against my primary finding, the word LIFE retains a distinctive significance independent of the whole, there would still be no likelihood of confusion.**

37. In view of the above, the opposition fails.

Costs

38. The applicant has succeeded and is entitled to a contribution towards its costs. The applicant asked for an uplift in costs because evidence was filed in support of a proof of use claim relating to a mark which was not subsequently relied upon. I decline this request because the evidence was also relevant to assessing enhanced distinctive character. Even though I found that the evidence did not satisfy that requirement, there should be no uplift simply because it was filed. My assessment is as follows:

Preparing a statement and considering the other side's statement - £300

Considering evidence - £300

Written submissions - £600

39. I therefore order Medion AG to pay Friends Life Management Services Limited the sum of £1200. This should be paid within 14 days of the expiry of the appeal period or within 14 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29th day of June 2015

**Oliver Morris
For the Registrar,
The Comptroller-General**