

O-324-18

TRADE MARKS ACT 1994

IN THE MATTER OF:

TRADE MARK APPLICATION No. 3086973

BY VELOCITY MOBILE LTD

TO REGISTER THE FOLLOWING TRADE MARK

IN CLASSES 9, 35, 36 & 42:



AND

OPPOSITION THERETO (No. 404207)

BY CITIGROUP INC.

Background and pleadings

1) On 19 December 2014 ('the relevant date') Velocity Mobile Ltd ('the applicant') applied to register the following trade mark in the UK.



2) It was accepted and published in the Trade Marks Journal on 23 January 2015 in respect of the following goods/services:

Class 9: Software and application software for the purpose of venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector.

Class 35: Advertising and advertisement services; Advertising and business management consultancy; Advertising and marketing; Advertising and promotion services and related consulting; Advertising and publicity services; Advertising via electronic media and specifically the internet; Advertising and business services; Advertising and marketing services; Advertising and promotion services; Advertising and publicity; Advertising, marketing and promotion services; Advertising, marketing and promotional services; Advertising, promotional and marketing services; Marketing consultation services; Marketing research services; Marketing services; all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector.

Class 36: Automated payment services; Bill payment services; Bill payment services provided through a website; all of the aforesaid services in this class relating to payment of bills in venues the hospitality sector.

Class 42: *Analytical services relating to computer programmes; Analytical services relating to computers; Computer aided analytical services; Computer programming and software design; Computer programming for the internet; Computer programming services for commercial analysis and reporting; Computer software design; Computer software design and development; Computer software design and updating; Computer software (design of -); Computer software (Installation of -); Computer software (Maintenance of -); Computer software (Updating of -); all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, and the use of social media in relation to venues in the hospitality sector.*

3) On 23 April 2015 Citigroup Inc. ('the opponent') opposed the trade mark on the basis of section 5(2) (b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ('the Act'). The opposition, insofar as the section 5(2)(b) and 5(3) grounds are concerned, is based upon the following four earlier marks:

Mark details and relevant dates
UK 2586460 CITI VELOCITY Filing date: 1 July 2011 Date of entry in register: 20 December 2013
Specification of services
<i>Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; financial research; financial analysis and consulting; financial information; and providing trading services by electronic means, namely, a trading platform for placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products; but not including credit card and debit card services.</i>
Mark details and relevant dates
UK 2586465 

CITI VELOCITY  (series of two)

Filing date: 1 July 2011

Date of entry in register: 23 December 2011

Specification of services

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; financial research; financial analysis and consulting; financial information; and providing trading services by electronic means, namely, a trading platform for placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products; but not including credit card and debit card services.

Mark details and relevant dates

EU 8993693

CITI VELOCITY

Filing date: 30 March 2010

Date of entry in register: 10 August 2011

Specification of services

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; financial research; financial analysis and consulting; financial information; providing financial trading services by electronic means.

Class 42: Providing web-based application software through an online platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products.

Mark details and relevant dates

EU 10018547

CITI VELOCITY 

Filing date: 3 June 2011

Date of entry in register: 3 November 2011

Specification of services

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; financial research; financial analysis and consulting; financial information; providing financial trading services by electronic means.

Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; providing web-based application software through an online platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products.

4) The opponent submits that there is a likelihood that the applied for mark will be confused with each of the earlier marks.

5) With regard to the section 5(3) claim, the opponent claims to have a reputation for the following services for its UK nos. 2586460 and 2586465 marks throughout the UK and European Union ('EU'):

Class 36 'Providing trading services by electronic means, namely, a trading platform for placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products'

6) In relation to the opponent's EU 8993693 and EU 10018547 marks it claims to have a reputation for the following services throughout the UK and European Union.

Class 36: 'Providing financial trading services by electronic means' and Class 42 'Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products'

7) Under section 5(4)(a) of the Act, the opponent claims that the use of the applicant's mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the business under the signs 'CITI VELOCITY' and 'VELOCITY',

which it claims to have used throughout the UK by virtue of on-line use for the following services:

‘Providing financial trading services by electronic means; Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products’

8) The applicant filed a counterstatement denying the claims made.

9) Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary. Both parties filed written submissions which will not be summarised but they shall be kept in mind. No hearing was requested and so this decision is taken following a careful consideration of the papers.

EVIDENCE

Opponent’s evidence

10) The opponent filed evidence in chief and then following criticism from the applicant it submitted evidence in reply. Since much of the evidence in reply is intended to supplement the evidence in chief I shall consider it as a whole.

Witness statement of Ala’A Saeed with exhibits AS1 – AS10

11) Mr Saeed is the Global Head of Investor eSales and Global Product Head for Citi Velocity Trading since the last quarter of 2014. Prior to this he was the Product Head for Citi Velocity Trading from 2012. Mr Saeed filed two witness statements, one of these was in reply to the applicant’s evidence.

12) Mr Saeed states that the opponent offers foreign exchange trading and information services which are offered via desktop software applications and downloadable mobile software applications. All of these are provided under the mark

CITI VELOCITY. He then states that the CITI VELOCITY mark was first used in January 2011 in connection with the desktop trading platform. From the summer of 2013 the mark was used on downloadable software that allowed users to access the CITI VELOCITY trading platform via a mobile device.

13) Mr Saeed claims that CITI VELOCITY is now the flagship foreign exchange desktop application.

14) Exhibit AS1 to the witness statement is a web page print out from where the client can download the CITI VELOCITY desktop application. The marks CITI VELOCITY (words) and **CITI VELOCITY**  are present. Whilst the print out is dated 2017 Mr Saeed states that it is similar to the page that has always been in place.

15) Exhibit AS2 consists of further screenshot print outs from the CITI VELOCITY desktop application. None of the screenshots are dated except for one which shows the date 12 May 2017.

16) Mr Saeed states that users of the CITI VELOCITY desktop application are situated all over the world but around 95% of all trades are executed through Citi in London. The applicant, in its submissions, stated that this figure was not adequately substantiated. Therefore, in the opponent's evidence in reply it provided further clarification. More specifically, it states that 'Citi in London' is reference to a number of individual subsidiaries all owned by Citigroup Inc. Mr Saeed then provides (in his evidence in reply) the following table:

Month	Electronic Trading Volume on CITI VELOCITY (\$ million)		Citi in London as a %age of Global Total
	Global Total	Citi in London	
April 2014	1,125,167	1,081,849	96.2%
May 2014	992,176	953,603	96.1%
June 2014	876,517	842,011	96.1%

July 2014	894,133	855,258	95.7%
August 2014	1,143,501	1,112,663	97.3%
September 2014	1,631,870	1,587,897	97.3%

17) He then provides revenue figures for sales generated from the CITI VELOCITY desktop application for trades in the UK (the first column being for revenue 'booked out of the UK and the second column for UK-based clients). These are the subject to a confidentiality order insofar that some figures are not open to the public.

Year	UK business revenue (all clients) (\$ million)	UK business revenue (UK clients) (\$ million)	EMEA Marketing Spend (\$,000)	UK Active Users
2008	Not available	Not available	Not available	Not available
2009	Not available	Not available	Not available	Not available
2010	██████████	██████████	Not available	Not available
2011	██████████	██████████	█	Not available
2012	██████████	██████████	███	██
2013	██████████	██████████	███	███
2014	██████████	██████████	███	███

18) Exhibit AS3 to the witness statement is a 2012 brochure which includes the CITI VELOCITY marks (words and words with device). Underneath the mark

CITI VELOCITY  it states 'Best FX Platform 2012'. In the evidence in reply Mr Saeed then refers to these items as examples of posters rather than brochures which would have been distributed to users and the general public. Whilst the exact number of recipients is not known, it would be in the 10s.

19) Exhibit AS4 consists of three examples of advertising material for CITI VELOCITY dated 2012, 2013 and 2014. The applicant criticised the evidence stating that it is not stated where the advertisements were placed, how many people viewed them or the geographical area that they cover. Therefore, in the opponent's evidence in reply it states that the first advertisement appeared in Profit and Loss magazine,

though the circulation figures were not available. Instead it provided printouts from the magazine's website¹ which does confirm that it was published in the UK but that the 2011 circulation figures are unknown. The second piece of marketing material was a general mailer which would have been issued to around 450-500 existing users. The last marketing item is a seasonal greetings email which it states would have gone to a sub-set of existing customers and the number of recipients is approximately in the 10s.

20) Mr Saeed states that as at 31 December 2013 the FX portion of the CITI VELOCITY mobile app had 21 users and 15 of these from the EMEA (Europe, Middle East and Africa) region. Mr Saeed, in his evidence in reply, confirmed that 3 of the mobile app users were in the UK.

21) In addition to the opponent's advertising, it is claimed that the CITI VELOCITY desktop application generated trade press interest. For example, Exhibit AS5 comprises of various articles discussing the launch of the CITI VELOCITY platform. More specifically, the exhibit includes two articles from Euromoney dated 19 January 2012 and 8 May 2014 entitled 'CitiFX launches Velocity; stakes claim as the fastest platform in market' and 'Euromoney FX survey 2014 results revealed' respectively. The former article generally discusses the speed of the platform and the latter states that Citi reclaims the top rank in the benchmark Euromoney Foreign Exchange Survey, though there is no reference to CITI VELOCITY. Mr Saeed does not provide any details on who, where and how many people may have read either article.

22) Another article is from the website fx-mm dated 26 January 2012 and headed 'Citibank launches CitiVELOCITY 2.0'. Details on who, where and how many people may read the article have not been provided. The final article is from profit-loss.com relating to the 2014 Digital FX Awards. The article refers to Velocity.

23) Mr Saeed claims that the opponent, under the CITI VELOCITY mark, have received numerous industry awards. He provides print outs² from the citifx.com website which lists the awards won in 2012, 2013 and 2014. He claims that the

¹ Exhibit AS10

² Exhibit AS6

'majority of these relate specifically to the Citi Velocity platform' but the print outs make no mention of the mark.

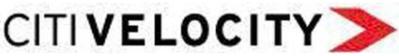
24) To supplement his initial evidence, and counter some of the criticisms raised by the applicant, Mr Saeed has filed as Exhibit AS9 to his witness statement further examples of marketing materials which includes 'mailers'. He states that these would have gone out to all CITI VELOCITY users and around 450-500 of these recipients would have been in the UK. The first mailer is entitled Citi Velocity 2014, whereas the rest are undated except for a 2014 copyright date.

25) Another 'mailer' was sent to the top 100 clients and Mr Saeed estimates that the number of UK recipients to be in the 10s. The mailer includes the CITI VELOCITY plus device mark but the figures are in dollars. It contains the copyright date of 2014.

26) To summarise the evidence, Mr Saeed states that it is clear that the CITI VELOCITY mark has been extensively used in relation to the provision of financial research, analysis and information services and the provision of trading services by electronic means.

Witness statement of Mr James Mahn plus exhibits JM1 to JM6

27) Mr Mahn is the managing director and global head of Citi Velocity, a position he has held since 2010. Whilst he has filed two witness statements, one in chief and the other in reply to the applicant, I shall summarise them collectively.

28) Exhibit JM1 to the witness statement is a collection of marketing materials obtained from the opponent's website. The materials contain a copyright date of 2010 and show the CITI VELOCITY and  marks.

29) Mr Mahn states that the CITI VELOCITY application was made available for download throughout the world since January 2011. The total downloads are as follows:

Year	Total Global Downloads	Total European Downloads	Total UK Downloads
2011	7,169	1,806	861
2012	8,686	2,572	1,043
2013	7,142	1,711	858
2014	9,829	3,144	1,180

30) Mr Mahn emphasises that the figures above are estimated on the basis that, on average, the UK accounts for approximately 12% of global usage and this percentage has been applied to the total global downloads figure to give approximate values for total UK downloads.

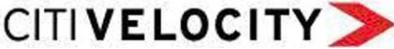
31) The approximate number of active users for CITI VELOCITY desktop web portal and the CITI VELOCITY mobile application are set out below:

Year	Citi Velocity Active Users (desktop)		Citi Velocity Active Users (mobile application)	
	Global	EMEA	Global	EMEA
2011	21	2	Not available	Not available
2012	62,701	17,757	Not available	Not available
2013	66,840	19,389	3,645	1,260
2014	79,178	23,148	5,943	2,026

32) Mr Mahn states that these figures should be used rather than the ones used in his first witness statement since an error occurred in the original figures 'due to a simple misunderstanding and unintentionally some download figures were used instead of usage figures'.

33) The number of UK downloads have not been provided but Mr Mahn states that the overwhelming majority of active users in the EMEA region are based in London.

34) With regard to marketing, Mr Mahn states that in 2011 marketing emails were sent out at a rate of 2 per month, which later increased to around 5 per month in

2012 and then 10 per month in 2013. Exhibit JM6 to the witness statement are example emails issued which include the CITI VELOCITY and  marks. However, details regarding the number of recipients, how many of these emails led to sales or additional users have not been provided and therefore they offer little evidential value to support widespread marketing efforts taking place.

35) Whilst there is no specific marketing team for the CITI VELOCITY content, the business has a dedicated sales team and, as at December 2014, 4 were based in London. Other than the marketing emails and number of meetings that the team attend, the extent of marketing is not clear.

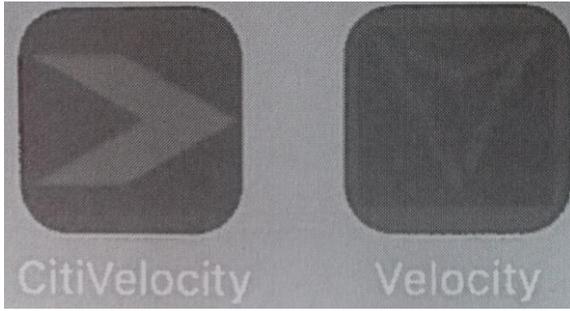
Witness statement of Andrew James Clemson with exhibits AJC1 – AJC8

36) Mr Clemson is a chartered trade mark attorney for Cleveland Scott York LLP, the opponent's professional representatives.

37) Exhibit AJC1 to the witness statement is a smartphone screenshot from the Apple App store and shows the mark 'Citi Velocity' placed above Citibank. It is dated 15 February 2017 (which is after the relevant date).

38) Exhibit AJC2 consists of another smartphone screenshot which shows the app icon once downloaded. The screenshot is not dated but it can be reasonably inferred from the time at the top of the prints, the same phone network (EE) and phone battery charge (40% in the first print and 38% in the second) that it was taken at the same time as exhibit AJC1. Therefore, it is two years after the relevant date.

39) Exhibit AJC3 consists of a 'mock-up' smartphone screenshot produced by the opponent which it claims to be an example of notional side by side use of the respective marks:



40) Exhibits AJC4-AJC6 are all intended to prove that foreign exchange services are not offered or used only by major banks and governments but also by businesses in the hospitality sector. More specifically, Exhibit AJC4 consists of a job advertisement from the website forexpeacearmy.com for an in-house FX (foreign exchange) trading specialist for a private funds company. The advert is dated 6 May 2014 and states 'No need to work in our NY office you can telecommute' which suggests that the job advertisement is from the US.

41) Exhibit AJC5 consists of a print out from the website barclayscorporate.com headed 'Hotels'. The article shows that the Barclays corporate hotel team offers FX services, along with other services. Except for the date it was printed (10 July 2017), the article is not dated.

42) Exhibit AJC6 to the witness statement are job advertisements from the websites simplyhoteljobs.com and adzuna.com for a Guest Relations Officer and a Receptionist, respectively. The opponent highlights that both job advertisements require the successful candidate to be competent in handling foreign exchange. Except for the date it was printed (10 July 2017), neither advertisement is dated.

43) Exhibit AJC7 consists of an article dated 6 May 2013 from the website fortune.com which lists 6 spin-off successes. The opponent states that three of these spun-out companies have names derived from the parent company. Two of the companies operate in the oil refinery sector with the rest in home furniture, food and defence sectors. None of the companies relate to foreign exchange.

44) Exhibit AJC8 comprises of an article from the website CNN headed 'Citigroup to spin Travelers'. The article is intended to show that the opponent has itself spun out companies. The article is dated 19 December 2001.

Applicant's evidence

Witness statement of Sarah Redmond with exhibit SJR1

45) Ms Redmond is a trade mark attorney employed by Fox Williams LLP, professional representatives for the applicant.

46) The purpose of Ms Redmond's witness statement is to submit evidence of fact in response to certain issues raised by the opponent. She states that the applicant's app was launched in March 2014 and it is used to book and pay for restaurants and nightlife activities. The app allows you to pay for your food and drinks via the app without having to wait for the waiting staff. It also allows the bill to split amongst the consumers and offers rewards for users.

47) Exhibit SJR1 to the witness statement consists of various articles. These are summarised as follows:

- An article dated 9 July 2016 headed 'This new app gets you into the planet's most exclusive restaurants'. It states that Velocity is only operating in a handful of cities, all of which are in the US except for London. It is not clear on which website the article appears.
- An article from the website sheerluxe.com dated 23 May 2016 headed 'The booking app that'll get you into the hottest restaurants'. It refers to Velocity as a restaurant booking app which lists top restaurants and includes discount. It can be inferred from the website that it is aimed at the UK since the discount of £20 is in sterling and refers to a bar in South Kensington.
- An article dated 19 May 2016 from the website BuzzFeed which is headed 'Top 5 Hottest restaurants to check out in NYC this month'. Clearly this relates to restaurants in the US and not the UK.

- An article from startups.co.uk headed 'Tech pitch: Velocity' dated 1 September 2015. It states that Velocity was launched in 2014 and 'is the lifestyle app empowering diners to reserve, pay and earn rewards directly from their phone'. It states that the opponent 'recently secured £7.6m Series A financing to accelerate international expansion'.
- A Sunday Times article dated 28 June 2015 headed 'Put the bill on my app: Velocity raises cash to help diners in a rush'. It also refers to the opponent securing £7.6m from investors to launch the app.
- Dated 24 July 2015 is an article from WIRED UK headed 'Startup of the Week: Velocity'. The article states that the opponent is a London startup and the app has partnered with more than 300 restaurants and that 'has thousands of new users per week'. The article states that the opponent has 37 staff and secured funding.

Witness statement of Mr William Robert Farrant with exhibits WRF1 & WRF2

48) Mr Farrant is a trainee solicitor employed by, Fox Williams LLP. Mr Farrant seeks to address some issues raised by the opponent in its evidence. More specifically, it addresses the opponent's Apple App store search made on 19 September 2017.³ He claims that the Citi Velocity mobile app is found much lower down the search results than claimed. Exhibit WRF1 are a selection of apps which include VELOCITY, though they are not in list form to ascertain where it appears.

49) Exhibit WRF2 consists of another smartphone screenshot showing that the Citi Velocity app is only usable by users already registered with Citi Velocity. The screenshots effectively show a login page with the CITIVELOCITY mark and the next page is a 'Login support page'. The screenshots are not dated.

DECISION - Section 5(2)(b)

50) Section 5(2)(b) of the Act is as follows:

³ Witness statement of Andrew James Clemson

“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”.

Case law

51) 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 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

52) I shall firstly begin my assessment based upon EUTM 10018547. This is because it covers the broadest list of services. If the opposition is unsuccessful, in whole or part, based on this earlier registration then I shall consider the remaining registrations.

Comparison of goods and services

53) In the judgment of the Court of Justice of the European Union (“the CJEU”) in *Canon*, Case C-39/97, 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”.

54) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

55) The respective list of goods and services are as follows:

Opponent’s list of services	Applicant’s list of goods and services
	Class 9: <i>Software and application software for the</i>

	<p><i>purpose of venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector.</i></p>
	<p><i>Class 35: Advertising and advertisement services; Advertising and business management consultancy; Advertising and marketing; Advertising and promotion services and related consulting; Advertising and publicity services; Advertising via electronic media and specifically the internet; Advertising and business services; Advertising and marketing services; Advertising and promotion services; Advertising and publicity; Advertising, marketing and promotion services; Advertising, marketing and promotional services; Advertising, promotional and marketing services; Marketing consultation services; Marketing research services; Marketing services; all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector.</i></p>
<p><i>Class 36 Insurance; financial affairs; monetary affairs; real estate affairs; financial research; financial analysis and consulting; financial information; providing financial trading services by electronic means.</i></p>	<p><i>Class 36: Automated payment services; Bill payment services; Bill payment services provided through a website; all of the aforesaid services in this class relating to payment of bills in venues the hospitality sector.</i></p>
<p><i>Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer</i></p>	<p><i>Class 42: Analytical services relating to computer programmes; Analytical services relating to computers; Computer aided analytical services; Computer programming and software design; Computer programming for the internet; Computer programming services for commercial analysis and reporting; Computer</i></p>

<p><i>hardware and software; providing web-based application software through an online platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products.</i></p>	<p><i>software design; Computer software design and development; Computer software design and updating; Computer software (design of -); Computer software (Installation of -); Computer software (Maintenance of -); Computer software (Updating of -); all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, and the use of social media in relation to venues in the hospitality sector.</i></p>
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Class 9

56) The applied for class 9 goods consist of software and application software for paying bills in venues may be the same as those seeking financial and monetary affairs services. The earlier mark does not cover any goods. Generally, goods differ in nature to services since the former are tangible items whereas services are intangible since they don't physically exist. However, class 9 software and application software are likely to be produced/offered by the same kinds of specialised companies as the opponent's class 42 '*design and development of computer software*'. They will be aimed at the same end consumers and there is a complementary relationship between the goods and services. They would be provided via the same distribution channels. Therefore, I find the class 9 goods to be similar to a medium degree to the opponent's class 42 '*design and development of computer software*'.

Class 35

57) The opponent argues that its '*financial affairs*' are so broad that it would cover services such as financial sponsorship services which it claims have a complementary relationship with the applicant's advertising services. The question of there being a complementary relationship between services was addressed in *Kurt Hesse v OHIM*, Case C-50/15 P, whereby the CJEU stated that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity

between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court ('GC') stated that "complementary" means:

"...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking".

58) In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

"It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes."

59) Whilst on the other hand:

".....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

60) I do not consider the relationship between financial sponsorship services (possibly covered by the broader categories '*financial affairs; monetary affairs*') and advertising to be so close that one is so indispensable or important for the use of the other. They are mutually exclusive services which do not have a complementary relationship. Whilst there is an element of overlap in end users this is more

coincidental rather than being targeted against such users. It certainly isn't a strong enough reason to find similarity. They also differ in nature since the opponent's services are aimed at assisting third parties to gain sponsorship whereas the applicant's services are aimed at the promotion and marketing of third parties. Therefore, I do not consider the opponent's broad '*financial services*' to be similar to the applicant's class 35 services.

61) With regard to the opponent's class 36 services, these cover insurance, financial, real estate and monetary services. I do not consider them to be similar to the applicant's class 35 services. They clearly differ in nature, are not in competition with one another and have different end users and uses. They are dissimilar.

62) The applied for class 35 services includes the following limitation: '*all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector*'. The opponent's class 42 services specifically relate to design and development of computer hardware and software and the web-based application software is limited to an online platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products. In my view, the end users of the respective services differ. Notwithstanding this, the nature of the services also differ since the opponent's services relate to the provision of various IT services plus web-based application software, and the applicant's services relate to advertising, marketing, business management, promotions, etc. Therefore, regardless of the limitations, the services have a different nature, they are not in competition or complementary and they are offered via different trade channels. They are not similar.

Class 36

63) The applied for class 36 services have all been limited to relate to payment of bills in venues in the hospitality sector. Despite this limitation, applying the principle set out in *Meric*, they are identical to the opponent's broader class 36 '*monetary affairs*'.

Class 42

64) Despite the limitation to the applicant's class 42 services, the applied for '*Computer software design (appears twice); Computer software design; Computer software (design of -); all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, and the use of social media in relation to venues in the hospitality sector*' are included and therefore identical to the opponent's '*design of software*'.

65) The applied for '*Computer software development; all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, and the use of social media in relation to venues in the hospitality sector*' are included and therefore identical to '*development of software*' as covered by the earlier class 42 services.

66) With regard to the remaining class 42 services, namely '*Analytical services relating to computer programmes; Analytical services relating to computers; Computer aided analytical services; Computer programming; Computer programming for the internet; Computer programming services for commercial analysis and reporting; Computer software (Installation of -); Computer software (Maintenance of -); Computer software updating; Computer software (Updating of -)*' they all include the following limitation '*all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, and the use of social media in relation to venues in the hospitality sector*'.

67) The opponent's class 42 services include the broad category of '*design and development of computer hardware and software*'. These services include the initial design of computer software and hardware plus its development which would include the updating and improvement of existing systems so that it does not become outdated and is relevant.

68) The respective services are likely to be offered by the same IT service providers. Therefore, they coincide with the producers of such services, the relevant publics are likely to be the same and they would be provided via the same distribution channels.

Further, I consider there to be an element of competition between the services since there is sometimes a choice made between a computer programmer and software developer. Further, they target the same end users. In view of this, I find that the respective services are similar to a high degree.

Comparison of marks

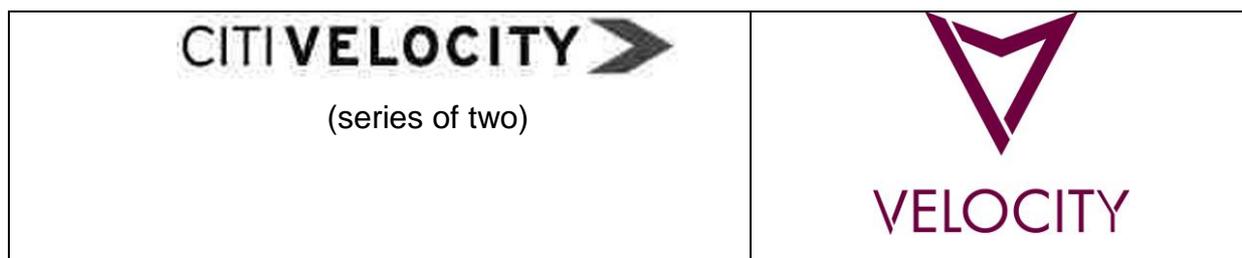
69) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference 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:

“.....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.”

70) 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.

71) The respective trade marks are shown below:

Earlier trade mark	Contested trade mark
	



72) The contested mark consists of an arrow shaped device placed above the word VELOCITY. The word VELOCITY is stylised but only a negligible extent. The mark has been filed in burgundy but the application does not include a colour disclaimer and therefore I must consider all colours as notional and fair use of the mark. The applicant argues that the contested sign 'is dominated by a distinctive logo in the shape of a disjunctive 'V' in a bold burgundy colour and with the upper elements of the letter conjoined to give the appearance of an isosceles triangle'. I disagree. Whilst the device is large and placed at the top of the sign, it is considered to be of equal dominance to the word. When signs consist of both verbal and figurative components, in principle, the verbal component of the sign has a stronger impact on the consumer than the figurative element. This is because the public does not tend to analyse signs and will more easily refer to the signs in question by their verbal element than by describing their figurative elements. However, given the size and prominence of the device in relation to the word I consider them to be of equal dominance to one another.

73) With regard to the earlier trade mark, it is a series of two with the only difference between the marks is that the device in the first mark is in red and the latter in dark font. The device is placed after the words CITI VELOCITY and is considered to be a distinctive element of the mark but of equal dominance with the words. The words within each mark are 'CITI VELOCITY'. Neither word is descriptive of the goods or services in question and are therefore distinctive, however the word 'CITI' could be perceived as a misspelling of 'CITY' which for some services may be considered of lower distinctive character. Whether the device is red or dark font makes a negligible difference to the dominant and distinctive elements of the marks.

74) Visually, the signs coincide in the words VELOCITY and both include a triangular/arrow type device. They differ insofar that VELOCITY in the earlier mark is preceded by CITI and the device is at the end of the mark rather than above and it is horizontal rather than vertical as in the earlier mark. Since the earlier mark includes the distinctive word VELOCITY, which is separate to CITI, and that they both include triangular/arrow type devices, I consider the marks to be visually similar to a medium degree.

75) Aurally, the earlier mark would be pronounced as CITI (which would be pronounced as identical to the common word CITY) and VELOCITY as 'VEL-OS-IT-EE'. The word 'VELOCITY' in the contested sign would be pronounced in the same manner and the device would not be enunciated. Whilst CITI is the first word in the earlier mark to be pronounced and greater emphasis is typically placed at the beginning of the signs, I still find that the marks are similar to a medium degree by virtue of the distinctive element VELOCITY being pronounced in the same manner.

76) Conceptually, the word CITI in the earlier mark is phonetically identical and visually very similar to the word CITY and so it is likely that it will convey the same conceptual message or considered to be a misspelling of the word CITY. With regard to the word VELOCITY it is an English word which would be understood to mean the speed of something. The inclusion of the word CITI in the earlier mark does not materially alter the concept of speed, it merely acts as the qualifying verb to the adjective. Therefore, since the respective marks including the word VELOCITY, which has a clear and graspable meaning, I consider the respective marks to be conceptually similar to a medium degree. If any meaning is attached to the arrow-like device (which I consider it unlikely to be) it is likely to reinforce the meaning of the word 'velocity' or something similar thereto.

Average consumer and the purchasing act

77) 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.

78) 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.”

79) The goods and services which I have found to be identical or similar to varying degrees are broad and wide ranging. Generally, the goods found to be similar are software applications and the similar services relate to the provision of payment services. Each of these sets of goods and services are limited ‘to payment of bills in venues in the hospitality sector’. The average consumer of such goods and services are most likely to be businesses who offer hospitality services to their existing or potential customers. Whilst I do not rule out that some members of the general public may also utilise the goods and services, they are not considered to be the average consumer because whilst they may attend events on a hospitality basis, by the very nature of it being hospitality they are typically offered to business clients, prospective or otherwise. Therefore, the services would be sought by the hosting business.

80) With regard to the purchasing process, the goods and services are likely to be selected predominantly by visual means, through self-selection, websites and brochures/catalogues. However, I do not discount the average consumer speaking to a sales advisor to purchase the goods and services. Therefore, the aural impact of the marks may also play a factor in the selection process. The level of care and consideration taken upon purchasing the goods and services, I consider this to be above average but not high.

81) The remaining services which I have found to be similar, namely the IT services covered by class 42, are likely to be sought by businesses. Once again this would be a visual purchase, though I do not discount aural considerations. I also consider an above average degree of care will be taken when purchasing the goods and services.

Distinctive character of the earlier trade mark

82) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated at paragraphs 22 and 23 that:

“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).

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).”

83) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely

to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion’. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.”

84) In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask ‘in what does the distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out.

85) The level of distinctive character of a trade mark can vary, depending on the particular goods at issue: a mark may be more distinctive for some goods than it is for others. Distinctiveness can also be enhanced through use of the mark. There has been no explicit claim of enhanced distinctiveness but evidence of use has been filed in support of its section 5(3) of the Act claim. This evidence has been summarised above and I am required to assess whether, at the relevant date of 19 December 2014, the opponent has demonstrated that it has an enhanced degree of distinctive character.

86) Mr Saeed, the Global Head of Investor eSales and Global Product Head for Citi Velocity trading, stated that it first used its CITI VELOCITY mark in January 2012. This is two years prior to the relevant date and cannot therefore be considered to be a particularly long period of time.

87) With regard to the opponent's advertising and marketing, from a *prima facie* perspective this appears to be limited to emails and issuance of brochures to 10s of existing consumers. Whilst I accept that the market may be limited and marketing to 10s of people may be sufficient, there is no evidence to support this view. I am simply unable to determine what proportion of the relevant section of the public has been exploited to the mark so that I can conclude that it has an enhanced degree of use. Further, the evidence does not demonstrate intensive use which over two years cannot be considered to be long-standing use.

88) The opponent has not proven that it has an enhanced degree of distinctive character by virtue of the use made of it. In terms of the inherent distinctive character in the earlier mark, it is noted that it consists of the words CITI VELOCITY plus a triangular/arrow device. Neither the words nor device are descriptive for the goods and services in question. As previously stated, the CITI element would be viewed as a misspelling of the word CITY and VELOCITY will be given its natural and ordinary meaning. I do not regard the device to be particularly fanciful and whilst it is distinctive in its own right it does not dramatically increase its inherent distinctiveness. Therefore, I consider this earlier mark to be inherently distinctive to an above average degree but not high.

Likelihood of Confusion

89) 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.

90) For the services which I have found no similarity, there can be no finding of a likelihood of confusion⁴. Therefore, the opposition based on section 5(2)(b) against the class 35 services fails.

⁴ *Waterford Wedgwood plc v OHIM* – C-398/07 P (CJEU)

91) With regard to the remaining goods and services, I have found the class 9 goods to be similar to a medium degree, the class 36 services to be identical along with some of the class 42 services. For the class 42 services which are not identical, they are highly similar. I have found that the respective marks share the distinctive element VELOCITY and that they are visually, aurally and conceptually similar to a medium degree.

92) The opponent does not have an enhanced degree of distinctive character and, therefore, I must only consider the likelihood of confusion based upon its higher than average (but not high) inherent distinctive character.

93) Taking all of these factors into account I am satisfied that there is a likelihood of confusion between the opponent's CITI VELOCITY plus device mark and the application. Despite there being an above average degree of care and consideration when purchasing the services, the imperfect recollection which the consumer must rely upon will result in confusion arising for services which are identical and similar to a high and medium degree. Therefore, the opposition based on section 5(2)(b) of the Act succeeds against the applicant's Classes 9, 36 and 42. It fails against Class 35.

94) Since the opposition has not been entirely successful, I must consider the remaining registrations which the opposition is based. These are UK registration number 2586460 and EUTM no 8993693 both for the word mark CITI VELOCITY and EUTM 2586465 for the CITI VELOCITY plus device mark. Since these marks cover either the same or limited services and similarity between goods and services is essential for a finding of likelihood of confusion, then it follows that the opponent cannot succeed based on these earlier registrations.

95) Since the opposition has not entirely succeeded, I must now consider the claim under section 5(3) of the Act against the services which the opposition has not succeeded.

DECISION - Section 5(3)

96) Section 5(3) of the Act 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.”

97) I remind myself of the basis of the opponent’s section 5(3) of the Act claim. It states that it has the requisite reputation for its UK registration nos. 2586460 and 2586465 for the following services:

Class 36 ‘Providing trading services by electronic means, namely, a trading platform for placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products’

98) Further, in relation to the opponent’s EU 8993693 and EU 10018547 registrations it claims to have a reputation for the following services.

‘Class 36: Providing financial trading services by electronic means’ and Class 42 ‘Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products’

99) The relevant date at which reputation must be proven is 19 December 2014.

Case law

100) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009]

ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 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

101) The opponent claims that its earlier CITI VELOCITY and CITI VELOCITY (plus device series of two) has acquired a reputation in relation to the following services in the UK:

Class 36 'Providing trading services by electronic means, namely, a trading platform for placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products'

102) The opponent claims to have acquired a reputation throughout the EU for the following services for the same marks listed above:

Class 36: 'Providing financial trading services by electronic means' and Class 42 'Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products'

103) Guidance on the requisite reputation was set out in *General Motors*, Case C-375/97, the CJEU whereby it 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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

104) In paragraphs 82 to 88 above I set out my reasons for rejecting the opponent's claim that the earlier marks had acquired an enhanced level of distinctiveness in relation to the relied upon services for its section 5(2)(b) claim. For the same

reasons, I find that neither the CITI VELOCITY nor CITI VELOCITY (plus device) marks had acquired a reputation for such services by March 2014 being the relevant date for the passing off proceedings (see paragraph 113 below).

105) Since the conditions under section 5(3) of the Act are cumulative and the opponent has fallen at the first hurdle, its claim fails and the opposition in respect of this ground is dismissed.

Section 5(3) outcome

106) The section 5(3) of the Act fails and is rejected.

DECISION - Section 5(4)(a)

107) Section 5(4)(a) of the Act states:

“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, or

(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.”

Case-law

108) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, 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).”

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

“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.”

110) I remind myself of the opponent’s claim under s.5(4)(a) of the Act. It states that the applicant’s mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the business under the signs ‘CITI VELOCITY’ and ‘VELOCITY’, which it claims to have used throughout the UK by virtue of on-line use for the following services:

‘Providing financial trading services by electronic means; Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products’

111) I also remind myself of the remaining services which the opposition has not succeeded against. These are:

Class 35: Advertising and advertisement services; Advertising and business management consultancy; Advertising and marketing; Advertising and promotion services and related consulting; Advertising and publicity services;

Advertising via electronic media and specifically the internet; Advertising and business services; Advertising and marketing services; Advertising and promotion services; Advertising and publicity; Advertising, marketing and promotion services; Advertising, marketing and promotional services; Advertising, promotional and marketing services; Marketing consultation services; Marketing research services; Marketing services; all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector.

Relevant date

112) In *SWORDERS TM*⁵ O-212-06 Mr Allan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

113) The applicant’s evidence states that it launched its app in March 2014 to book and pay for restaurants and nightlife activities. Therefore, since the applicant has used its mark before the date of the application I consider the relevant date to be 1 March 2014.

⁵ Endorsed by the Daniel Alexander QC, sitting as the Appointed Person, in *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11

Goodwill

114) Goodwill was considered in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), whereby the House of Lords stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

115) I have already reviewed the evidence filed earlier in this decision. Whilst I have found that the opponent has failed to demonstrate that it has sufficient use in order for the distinctive character of the earlier mark to be enhanced and that it has not shown that it has a reputation to support its section 5(3) claim, I am satisfied that the opponent has a protectable goodwill in its business operating under the sign ‘CITI VELOCITY’. It clearly has an operating business which is distinguishable from competitors which has attracted further and existing custom. Therefore, the opponent has satisfied the first requirement for a successful passing off claim under the sign ‘CITI VELOCITY’ for the following services:

‘Providing financial trading services by electronic means; Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products’

Misrepresentation

116) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

117) In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

118) Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. had previously cast doubt on

whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later judgment in *Comic Enterprises*, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.

119) In essence, for a misrepresentation claim to succeed a substantial number of the applicant’s customers or potential customers are liable to be deceived by use of the contested mark. In the opponent’s favour is that the signs (as discussed under the section 5(2)(b) comparison of marks) are generally similar. However, if the respective fields of activity differ then this is not fatal but it is an important and highly consideration⁶.

120) I have found that the opponent’s area of interest is ‘Providing financial trading services by electronic means; Providing web-based application software through an on-line platform to facilitate placing and executing orders to buy and sell securities, futures, options, foreign exchange and other financial products’.

121) The services which the section 5(4)(a) claim is against are as follows (i.e. the class 35 services which the section 5(2)(b) claim was unsuccessful):

‘Advertising and advertisement services; Advertising and business management consultancy; Advertising and marketing; Advertising and promotion services and related consulting; Advertising and publicity services; Advertising via electronic media and specifically the internet; Advertising and business services; Advertising and marketing services; Advertising and promotion services; Advertising and publicity; Advertising, marketing and promotion services; Advertising, marketing and promotional services;

⁶ *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J.

Advertising, promotional and marketing services; Marketing consultation services; Marketing research services; Marketing services; all of the aforesaid services in this class relating to venue bookings, paying for bills in venues, using electronic loyalty cards in venues, locating venues, and the use of social media in relation to venues in the hospitality sector.

122) A protectable goodwill has been demonstrated for various services which can effectively be split into two sections, 1) the provision of electronic trading services and 2) the provision of web based applications in order to buy and sell various commodities. Any consumers (existing or potential) will be coincidental rather than them being in the same area of economic activity as the applied for services. In other words, the use of the application would not cause a substantial number of the customer's to be misled into purchasing the applicant's services, believing that they are provided by the opponent.

123) For the avoidance of doubt and for the sake of completeness, even I had found that the opponent had demonstrated that it has a protectable goodwill for VELOCITY (which is more similar to the application than CITI VELOCITY) I would not have found there to be a misrepresentation for the same reasons outlined above.

Section 5(4)(a) outcome

124) The section 5(4)(a) claim fails.

OVERALL CONCLUSION

125) The opposition has partially succeeded and the application shall be refused registration (subject to appeal) for classes 9, 36 and 42 in their entirety.

126) The opposition has failed in respect of class 35 and subject to appeal it shall proceed to registration in its entirety.

COSTS

127) The opponent has been more successful than the applicant and is entitled to an award of costs. Based on the published scale and reduced to reflect the partial success of the opponent, a breakdown of the costs award is as follows.

Official fee - £200

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

Preparing evidence and considering and
commenting on the other side's evidence - £350

Preparing and filing submissions - £200

Total - £1050

128) I therefore order Velocity Mobile Ltd to pay Citigroup Inc. the sum of £1050. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 24th day of May 2018

Mark King

For the Registrar,

The Comptroller-General