

O-338-12

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2575545

BY

SHANGHAI COMMERCIAL BANK LTD

TO REGISTER THE TRADE MARK

SCB

IN CLASS 36

AND

THE OPPOSITION THERETO

UNDER NO 102152

BY

**GROUPEMENT DES CARTES BANCAIRES
(GROUPEMENT D'INTERET ECONOMIQUE)**

Trade Marks Act 1994
In the matter of application no 2575545
by Shanghai Commercial Bank Ltd
to register the trade mark:

SCB

in class 36
and the opposition thereto
under no. 102152
by Groupement des Cartes Bancaires
(Groupement d'interet Economique)

BACKGROUND

1. On 17 March 2011, Shanghai Commercial Bank Ltd (the applicant) applied to register the above trade mark in class 36 of the Nice Classification system¹, as follows:

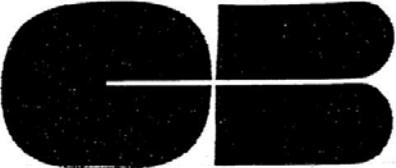
Banking services; investment banking services, security, stock and bond brokerage services; capital and fund investment services; factoring services; financing, loan, credit and mortgage services; lease-purchasing finance; insurance, insurance brokerage and insurance underwriting services; fund transfer services; foreign exchange services; services relating to provision of guarantees; mutual fund services; capital management; advisory and consultancy services; financial advisory, consultancy and information services; financial planning, analysis, management and organization assistance, advice and consultancy; financial surveys, appraisals, inquiries and research; collection, preparations, compilation, storage, retrieval and provision of financial information, data, statistics and indices; conduct financial reports; economic forecasting and analysis for financial purposes; market analysis research and monitoring services for financial purposes; fiscal assessments, appraisals and consultancy; real estate brokerage, management and appraisals.

2. Following publication on 8 April 2011 of the application, Groupement des Cartes Bancaires (the opponent) filed notice of opposition against the application.

3. The grounds of opposition were originally brought under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). In a letter dated 30 January 2012, the opponent removed the 5(3) ground from its opposition and limited the services it relies upon.

4. Consequently the opponent relies upon the marks and services shown below.

¹ *International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).*

MARK DETAILS AND RELEVANT DATES	SERVICES RELIED UPON
<p>CTM: 269290</p> <p>Mark: CB</p> <p>Date of application: 25 September 1997</p> <p>Priority date: 28 August 1986</p> <p>Date of registration: 29 September 2005</p>	<p>Class 36: Insurance and finance, namely insurance underwriting, foreign exchange bureaux; financial affairs, monetary affairs, banking; management of banking and monetary flow by electronic means; electronic purse services; issuing of and services relating to prepayment cards, debit cards, cash withdrawal cards, chip (integrated circuit) cards, magnetic cards and smart cards; issuing of bank cards, non-electronic; cash withdrawal using chip (integrated circuit) cards, electronic funds transfer; electronic payment; card payment services; prepaid card services; financial transactions by card holders via automated teller machines; authentication and verification of parties involved; authorisation and regulation of payments by card numbers; remote secure payment; financial information, namely remote collection of financial information and data.</p>
<p>CTM: 269415</p> <p>Mark:</p>  <p>Date of application: 25 September 1997</p> <p>Priority date: 25 July 1986</p> <p>Date of registration: 12 November 1999</p>	

5. In respect of the ground under section 5(2)(b) the opponent submits:

“3. The earlier CB Marks and the Application SCB are very closely similar and the services of the Application SCB are identical or very closely similar to the goods and services protected by the earlier CB Marks and established earlier trade mark rights

...

When one considers the earlier CB Marks as they have been filed, used and registered, it is apparent that they are visually similar to the Application SCB and that the relevant public is likely to consider them to be a suite of trade marks owned by or emanating from the same commercial establishment when no association exists.”

6. In respect of the grounds brought under section 5(4)(a) the opponent submits:

“9. The earlier CB marks have been used substantially throughout the UK since at least 1997 by the Opponent, its predecessors, its associated companies and/or its licensees for inter alia services identical with or similar to the services of the Application SCB... Use of the Application SCB would constitute a misrepresentation and cause confusion with the earlier rights of the Opponent in the earlier CB Marks resulting in damage to them.”

7. On 15 September 2011, the applicant filed a counter statement in which it requested the opponent provide proof of use of its marks. It denies the grounds upon which the opposition is based. It states:

“2...When considered as a whole the Applicant's trade mark is visually, phonetically and conceptually different to the Opponent's mark.

...

4. Phonetically, the addition of the letter 'S' before CB creates an additional syllable to the mark rendering the pronunciation SCB different to CB. The average consumer, who pays particular attention to the beginning of a mark is more likely to emphasise the letters 'SC' in the mark SCB rather than the letters 'CB'.

5. The Applicant has used the trade mark SCB since at least as early as 1998 and the Applicant asserts its rights in the mark through such use.

6...The average consumer is likely to pay particular attention to the letters 'SC' in the mark SCB and would not therefore consider that the marks SCB and CB are from the same suite of marks owned by the same party.”

8. Only the opponent filed evidence and submissions in lieu of attendance at a hearing; neither party asked to be heard.

EVIDENCE

9. The opponent's evidence consists of a witness statement by Nicole Gauchet, dated 30 January 2012, accompanied by 7 exhibits. Ms Gauchet is the Assistant to the Director of Legal and Banking Affairs and has been employed by the opponent company since 1997. The main facts emerging from her statement are, in my view, as follows:

- The 'CB' and  trade marks have been used in the EU in relation to inter-bank card payment and cash withdrawal systems since 1984. Initially this activity was confined to France but expanded to include other European countries in 2003. More than a third of card payments made in the Eurozone and a quarter of card payments made in the entire European Union are made via the CB system.
- The system connects the ATMs (automatic telling machines) of different banks and permits these ATMs to interact with the ATM cards of non-native banks. The CB network also permits the use of its cards at the point of sale.
- Turnover figures for the European Union from 2003 to 2011 are as follows:

Period	No. of cards – (in millions)	No. of transactions – (in billions)	Turnover – (in billions of euros)
2003	47.6	5.59	284.4
2004	49.1	5.91	304.8
2005	51.2	6.27	325.4
2006	53.6	6.67	349.5
2007	55.7	7.26	381.8
2008	57.5	7.76	412.9
2009	58.4	8.14	426.1
2010	59.8	8.57	451.2

- Exhibit MB1 consists of a list of members of the ‘CB system’ taken from the opponent’s website using Wayback Machine. There were 149 member institutions in June 2007, 150 in February 2008 and 131 in 2011. Ms Gauchet states:

“9. As can be seen from these lists, the vast majority of members are substantial and well known banks located in the European Union, including a number of UK financial institutions, such as Coutts & Co., Barclays Bank Plc. and Lloyds TSB Bank Plc.”

- Exhibit MB2 consists of extracts from the 2007 and 2010 Annual Reports of the opponent company and several press releases. Ms Gauchet states:

“10. Use of my entity’s CB and CB Device marks can be seen prominently throughout these documents.”

They include turnover figures, the number of transactions carried out by CB card and at ATMs and the number of cards, shown above.

- Exhibit MB3 consists of a print showing the number of transactions which took place in the UK using the CB system from 2005 to 2010 as follows:

Year	Number of transactions in the UK
2005	143,639
2006	325,495
2007	405,972
2008	640,014
2009	975,976
2010	1,425,823

- Exhibit MB4 consists of prints, dated October 2011, taken from ‘a variety of websites in the EU’ showing a wide range of cards issued by a wide range of financial institutions, all of which display the CB device. Ms Gauchet explains that while the extracts were taken after the material date² they are representative of the cards available in the EU during the relevant period. Page 1 refers to Visa Business Credit Cards and is translated into English. The card shows the CB device mark in

² See paragraph 13 below

the bottom left hand corner. Pages 2-6 are in English and show international credit cards from BBVA France, Visa and Carte Bleue which show the CB device on the front of the cards. Pages 7-55 are in French. A number of pages contain a handwritten translation. However, it is clear that these show the same types of cards referred to above, all of which bear the CB device. Pages 56-57 are pages from a credit card contract for a CB credit card issued by ING Direct. It is dated 1 March 2010. Pages 58 – 61 are also in French and appear to be information from LCL Bank regarding the cards it provides. The copy is unclear but the CB mark can be made out on several of the cards.

- Exhibit MB5 consists of prints from a variety of websites across the EU which use the CB system. The majority of these are in French and, where they are dated, they were printed after the material date. The prints show the CB device included alongside Visa, Paypal etc.
- Exhibit MB6 consists of photographs of windows and doors of retail premises which display a sign stating that they accept CB, Visa, Visa Electron, Maestro etc. These are not dated and the names and geographical locations of the retail premises are not visible.
- Exhibit MB7 consists of prints from a variety of websites, including HSBC, BNP Paribas and Credit Agricole, demonstrating the use of the CB device on a wide range of payment cards. The prints have been obtained through Wayback Machine and are dated from 11 July 2007 – 27 May 2010.

DECISION

10. I will deal first with the opposition under section 5(2)(b) of the Act which reads as follows:

“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, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

11. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

12. In these proceedings the opponent is relying upon the trade marks shown in paragraph 4 above which constitute earlier trade marks under the above provisions. The application was published on 8 April 2011. The opponent's earlier marks completed their registration procedures on 12 November 1999 and 29 September 2005. Consequently, the opponent's registrations are subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004, and, as I mentioned above, the applicant has asked the opponent to provide proof of use in respect of the class 36 services it relies on. The relevant sections of the Proof of Use Regulations read as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

- (a) an application for registration of a trade mark has been published,*
- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and*
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.*

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or*
- (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.*

(4) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and*
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.*

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

- (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or*
- (b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”*

13. The relevant period is the five year period ending on the date of publication of the application, namely 9 April 2006 to 8 April 2011. The onus is on the opponent, under section 100 of the Act³, to show genuine use of its mark during this period in respect of those services relied on or, alternatively, to show that there are proper reasons for non-use of the mark during this period.

14. In her witness statement Ms Gauchet states:

“8. I confirm that my Entity has offered the Relevant Services under its earlier trade marks and otherwise by reference to its earlier trade marks to customers in the EU, or a substantial part thereof, within, and indeed throughout, the relevant period.”

Proof of use

15. In reaching a conclusion on this point, I must apply the same factors as I would if I were determining an application for revocation based on grounds of non-use.

16. The requirements for “genuine use” have been set out by the Court of Justice of the European Union (CJEU) in its judgments in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28 and by the Court of Appeal in the UK in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5. The principles established in these judgments have been conveniently summarised by Ms Anna Carboni, sitting as the Appointed Person in O-371-09 *SANT AMBROEUS*:

“42. The hearing officer set out most of the key extracts from Ansul and La Mer in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to Silberquelle where relevant:

(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: Ansul, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: Ansul, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: Ansul, [36]; Silberquelle, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: Ansul, [37]-[38]; Silberquelle, [18].

(a) Example that meets this criterion: preparations to put

³ *“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”*

goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) *Examples that do not meet this criterion: (i) internal use by the proprietor: Ansul, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: Silberquelle, [20]-[21].*

(5) *All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: Ansul, [38] and [39]; La Mer, [22] - [23].*

(6) *Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: Ansul, [39]; La Mer, [21], [24] and [25]."*

17. In addition, I will keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

"29. I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30. *Pumfrey J. was, I believe, correct that the starting point must be for the court to*

find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31. Pumfrey J. in Decon suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

18. The comments of Mr Justice Jacob in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

"20. The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

19. The comments of the Court of First Instance (now the General Court) in *Reckitt Benckiser (Espana), SL v OHIM*, Case T- 126/03 are also relevant:

"45. It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade

mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46. Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

20. First, I have to identify, as a matter of fact, whether the CB trade marks relied on by the opponent have actually been used and if so, in respect of which services. Having reached a conclusion on that point, I must then go on to decide what, from the perspective of the average consumer of the services, constitutes a fair specification. In these proceedings the opponent relies upon the following services in class 36:

Insurance and finance, namely insurance underwriting, foreign exchange bureaux; financial affairs, monetary affairs, banking; management of banking and monetary flow by electronic means; electronic purse services; issuing of and services relating to prepayment cards, debit cards, cash withdrawal cards, chip (integrated circuit) cards, magnetic cards and smart cards; issuing of bank cards, non-electronic; cash withdrawal using chip (integrated circuit) cards, electronic funds transfer; electronic payment; card payment services; prepaid card services; financial transactions by card holders via automated teller machines; authentication and verification of parties involved; authorisation and regulation of payments by card numbers; remote secure payment; financial information, namely remote collection of financial information and data.

21. The opponent's evidence, which has not been commented on nor challenged by the applicant, includes Annual Reports from 2007 and 2010. These show that the CB marks are used in relation to bank cards, their associated payment systems and in relation to ATMs and the systems relating to their operation. The 'CB system' (as the opponent terms it throughout its evidence) is used by many banks and financial institutions throughout the EU. As a consequence the system is also used to process payments on a large number of websites and in retail premises throughout the EU. Ms Gauchet states:

"2...More than a third of card payments made in the Eurozone, and a quarter of card payments made in the entire European Union are made via my Entity's CB system".

22. The mark is shown on a large number of cards issued by a large number of financial institutions throughout the EU. It is also displayed in retail premises, though the photographs provided are undated and the retailers cannot be identified.

23. It is clear from the evidence that the CB brand has been used in the UK as well as a large number of other EU countries during the relevant period. When considered as a totality, the opponent's evidence clearly demonstrates that in the relevant period it made genuine use of the 'CB' word and CB device mark.

24. Ms Gauchet states that the 'CB system and network':

"3...connects the ATMs (automatic telling machines) of different banks, and permits these ATMs to interact with the ATM cards of non-native banks. Also, the CB network permits the use of its cards at points of sale. In effect, the CB inter-bank card payment and cash withdrawal system links cardholders, merchants (or ATMs), the cardholder's bank and the merchant's bank (or the ATMs bank)."

25. In my view, the evidence clearly demonstrates use of the marks in respect of precisely the services described by Ms Gauchet as being the business of the opponent company.

26. Having established that there has been genuine use, I must now go on to consider what constitutes a fair specification.

27. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

"However, that does not appear to me to alter the basic nature of the required approach. As to that, I adhere to the view that I have expressed in a number of previous decisions. In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

28. In her evidence Ms Gauchet describes the opponent's business as 'inter-bank card payment and cash withdrawal services'. Card payment and cash withdrawal services are terms which, in my view, the average consumer would use in order to describe the services. The term 'inter-bank' is one which would be known by professional consumers and is likely to be easily understood by a member of the public who is familiar with the concept of withdrawing money from an automated teller machine which is not necessarily provided by their own bank. As a consequence I conclude that 'inter-bank card payment and cash withdrawal services' is how the average consumer would describe the services in respect of which the mark has been used and represents a fair specification (which is neither too broad nor too pernicky) and is the basis on which I intend to proceed.

Section 5(2)(b) case law

29. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section by reference to the CJEU cases listed below (the principles follow the cases):

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing act

30. In accordance with the case law cited above, I must determine who the average consumer is and also the nature of the purchasing process. The average consumer is reasonably well informed and reasonably circumspect and observant but with a level of attention likely to vary according to the category of services. The attention paid is likely to vary depending on price and, to some extent, on the nature of the services and the frequency of the purchase.

31. The parties’ specifications cover a wide range of financial services that can be aimed at an ordinary member of the public and/or to a more specialised commercial customer or institutional investor. There is a degree of overlap in the sense that an institutional investor will still use personal banking services. In the case of a consumer seeking, for example, a payment system to use for their business this will involve a very high level of attention and considerable discussion and negotiation prior to entering into the purchasing act. The purchasing act will involve considerable planning: it is not a purchase which would be made lightly. Such a system is the public face of the bank to its customers. In contrast a customer who simply wishes to withdraw money from a cash machine will be a member of the general public who will pay a much lower level of attention to the transaction. That said, the purchasing act for all of the respective services will be at least well considered as the average consumer, whether an individual or a commercial undertaking, will take note of, inter alia, charges, interest rates, price comparisons and accessibility of services, before entering into the purchasing act.

32. In all cases the purchase may be made visually from a website, brochure, prospectus, etc, or aurally such as in their local branch of a bank, over the telephone or via a broker, financial advisor or other intermediary.

The opponent’s best case

33. The opponent’s opposition is based on two earlier rights, a plain word mark and a stylised mark. I have found that a fair specification for both of these marks is ‘inter-bank card payment and cash withdrawal services’. The opponent’s best case rests with CTM269290, the plain word mark. If the opponent should fail in respect of this mark the stylised word mark CTM290415 puts them in no better position. I will proceed on that basis.

Comparison of services

34. As a consequence of my finding above, the services to be compared are as follows:

The opponent’s services	The applicant’s services
Class 36: Inter-bank card payment and cash withdrawal services	Class 36: Banking services; investment banking services, security, stock and bond brokerage services; capital and fund investment services; factoring

	<p>services; financing, loan, credit and mortgage services; lease-purchasing finance; insurance, insurance brokerage and insurance underwriting services; fund transfer services; foreign exchange services; services relating to provision of guarantees; mutual fund services; capital management; advisory and consultancy services; financial advisory, consultancy and information services; financial planning, analysis, management and organization assistance, advice and consultancy; financial surveys, appraisals, inquiries and research; collection, preparations, compilation, storage, retrieval and provision of financial information, data, statistics and indices; conduct financial reports; economic forecasting and analysis for financial purposes; market analysis research and monitoring services for financial purposes; fiscal assessments, appraisals and consultancy; real estate brokerage, management and appraisals.</p>
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35. In comparing the respective specifications, all relevant factors should be considered, as per *Canon* in which the CJEU stated at paragraph 23 of its judgment:

“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.”

36. Other factors which may be considered include the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281 (hereafter *Treat*) for assessing similarity between goods and services:

- (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 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, taking into account how goods/services are classified in trade.

37. In comparing the specifications, I also bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, Case T-133/05:

“29. ...goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

38. Additionally, there is the guidance provided in *Avnet Incorporated v Isoact Limited* - [1998] F.S.R. 16 (HC):

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

39. Where appropriate I will, for the purposes of comparison, group related services together in accordance with the decision in *Separode Trade Mark* BL O-399-10 (AP):

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”

40. Based upon its broader specification, the opponent submitted that the services of both parties are identical. Having found that the fair specification of the opponent's services is *'Inter-bank card payment and cash withdrawal services'*, it is on this specification that I must base the comparison. Neither party has provided any explanation of the financial terms used in their respective specifications. Consequently, in undertaking the comparison below I have relied on my own understanding of these terms and definitions provided by the *Financial Times Lexicon*⁴.

Identical terms

41. 'Banking services' in the applicant's specification is a broad term which encompasses the opponent's specification and, in accordance with *Meric* the services are considered identical.

42. Foreign exchange services and fund transfer services are analogous to credit card services in the opponent's specification. It is clear from the evidence provided by the opponent that the card system is marketed at international businesses in order to enable straightforward international payment in a variety of currencies. In addition, at p.56 of exhibit MB4 there is provided a copy of a contract, which includes a list of headings, one of which is 'How to use the credit card 'CB' to transfer funds'. These are clearly identical services.

43. In accordance with the judgment in *Separode*, the following services are sufficiently comparable to be grouped together for the purposes of comparison. They are all financial management and information services.

⁴ <http://lexicon.ft.com/>

Advisory and consultancy services; financial advisory, consultancy and information services; financial planning, analysis, management and organization assistance, advice and consultancy; financial surveys, appraisals, inquiries and research; collection, preparations, compilation, storage, retrieval and provision of financial information, data, statistics and indices; conduct financial reports; economic forecasting and analysis for financial purposes; market analysis research and monitoring services for financial purposes; fiscal assessments, appraisals and consultancy.

44. All of these services could relate to card payment and cash withdrawal services and in addition, in my view, it is unlikely that card payment and cash withdrawal services could be provided without, inter alia, storing and managing financial information and providing advice and information.

45. Consequently, in accordance with *Meric*, these are also identical services.

Remaining services

46. The remaining services, which follow, can be considered financial in the broadest sense. However, they should not, in accordance with the decision in *Avnet*, be given too wide a construction and should be confined to their core meanings.

Investment banking services, security, stock and bond brokerage services; capital and fund investment services; services relating to provision of guarantees; mutual fund services; capital management.

47. These are clearly services which can be considered investment banking services. Investment banking services, on the one hand and card payment and cash withdrawal services, on the other, are not in competition. The respective services are not indispensable or important to one another; they are not complementary. Investment banking is a specific division of banking, used by companies and governments in the creation of capital for other companies. Investment banks underwrite new debt and equity securities for all types of corporations and also provide guidance to issuers regarding the issue and placement of stock. Card payment and cash withdrawal services allow individuals as well as companies to have access to their money and to be able to pay for goods and services. Their users and purposes are quite different. In addition they do not have the same channels of trade. Investment banking services are not provided on the high street in the same way that card payment and cash withdrawal services are and would not be sought in the same places.

48. Consequently I find no similarity between these services.

49. Similarly, insurance, insurance brokerage and insurance underwriting services do not have the same users or the same purpose as card payment and cash withdrawal services. They are not complementary, nor are they in competition. The purpose of insurance is to be compensated in the event of a future loss in return for payment of a sum of money. It is true that some high street banks provide insurance and card and cash services. However, the fact that both exist under the same financial umbrella does not necessarily mean they are similar. Many stores sell a wide variety of goods which would not necessarily be considered similar simply because they are available 'under one roof'.

50. Consequently I find no similarity between these services.

51. Real estate brokerage, management and appraisal services have no similarity with card payment and cash withdrawal services. A real estate broker acts to facilitate property sales between a buyer and a seller. The nature and purpose are clearly different from card payment and cash withdrawal services which have been outlined above. Consequently the trade channels are also different and the services are not in competition with each other or complementary to each other.

52. Finally, factoring services, financing, loan, credit and mortgage services and lease-purchasing finance are all services related to borrowing funds. While this has a loose association with 'cards' which can be used for credit, the services offered by the opponent and demonstrated in evidence are specific to card payment services which allow the user to make payment using a card which is not the same as borrowing funds.

53. Consequently, I find no similarity between these services.

Comparison of marks

54. The marks to be compared are:

Opponent's mark (best case)	Applicant's mark
CB	SCB

55. In making a comparison between the marks, I must consider the respective marks' visual, aural and conceptual similarities with reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components, but without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

Dominant and distinctive components

56. The opponent's mark consists of the letters 'CB' presented in upper case. The applicant's mark consists of the letters 'SCB', presented in an unremarkable typeface, in upper case. Neither of the competing trade marks has a distinctive or dominant element; the distinctiveness of both trade marks lies in their totalities.

Visual similarities

57. In its statement of grounds the opponent states:

"3. CB and SCB differ only by the non-distinctive letter 'S' at the beginning of the Application...When one considers the earlier CB Marks as they have been filed, used and registered, it is apparent that they are visually similar to the Application

SCB.”

58. In its counterstatement the applicant states:

“2...the Applicant’s mark comprises SCB compared to the Opponent’s mark CB and when viewed as a whole, the average consumer pays particular attention to the beginning of a mark, thus the mark [sic] are visually different.”

59. Any visual similarity between the marks rests in the letters ‘CB’, which are the last two letters of the applicant’s three-letter mark and represent the totality of the opponent’s mark. They are both presented in capital letters. The fact that both marks contain the same letters in the same order does not mean that they are necessarily similar in their totality.

60. In reaching a decision on this issue I am guided by the General Court’s decision in *Inter-Ikea Systems BV v OHIM- T-112/06*:

“54. As regards the visual comparison between the verbal element of the contested mark and the earlier word marks, the applicant claims that the only difference between them is the presence of the letter ‘d’ in the contested mark and the letter ‘k’ in the earlier word marks. However, the Court has already held in Case T-185/02 Ruiz-Picasso and Others v OHIM – DaimlerChrysler(PICARO) [2004] ECR II-1739, paragraph 54) that, in the case of word marks which are relatively short, even if two marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them.

55. Accordingly, the degree of visual similarity of the earlier word marks and the verbal element of the contested mark must be described as low.”

61. The applicant’s mark begins with the letter ‘S’ which cannot, in light of the guidance above and in the context of a three letter mark, be considered ‘non-distinctive’ or go unnoticed. It is clear from decisions such as those in joined cases T-183/02 and T-184/02⁵ that the first parts of words catch the attention of consumers. In my view, this is the case here. The beginnings of the two marks are completely different.

62. Taking all of these factors into account I find there to be a low degree of visual similarity between the marks.

Aural similarities

63. The opponent submits:

“3. The earlier CB marks are wholly contained within the Opponent’s application for SCB...When spoken, heard or written in plain script they are very closely similar.”

64. The applicant submits:

“4. Phonetically, the addition of the letter “S” before CB creates an additional syllable to the mark rendering the pronunciation SCB different to CB. The average consumer, who pays more attention to the beginning of a mark is more likely to

⁵ *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II – 965, paragraph 81

emphasise the letters “SC” in the mark SCB rather than the letters “CB”.

65. In my view both marks will be pronounced as individual letter sounds. The applicant’s mark consists of three syllables, the opponent’s being made up of two. The marks are both short and as a consequence the addition of a different letter at the beginning of the mark results in the mark being longer than that of the opponent and beginning with a different sound. Taking all of these factors into account, I find there to be a low degree of aural similarity between the marks.

Conceptual similarities

66. The applicant submits:

“3. SCB is an abbreviation of the Applicant’s company name Shanghai Commercial Bank whose bank logo was registered in 1998 and is designed from initial block letters of their name. It would appear that CB is an abbreviation for Cartes Bancaires and the marks are therefore conceptually different.”

67. For a conceptual meaning to be relevant it must be one capable of immediate grasp by the average consumer.⁶ Neither of the marks before me includes any indication that they are acronyms for a particular entity. Consequently, neither sends a conceptual message and I find the conceptual position to be neutral.

Distinctive character of the opponent’s earlier trade mark

68. I must now assess the distinctive character of the opponent’s earlier trade mark. In these proceedings, the distinctive character of the opponent’s earlier trade mark must be appraised first, by reference to the services upon which I have found it has been used and, secondly by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the services for which it has been used as coming from a particular undertaking and thus to distinguish those services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

69. The opponent’s mark is a two letter mark of the type commonly encountered in trade marks. It is a trade mark possessed of a normal degree of distinctive character.

70. I must now consider whether the use made of the opponent’s mark has enhanced its distinctive character. While it is clear from the evidence that there has been considerable use of the mark ‘CB’ in its stylised form, it is also clear that there has been significant use of the plain form of the mark, either together with the stylised mark or in some cases alone.

71. In her witness statement, the content of which has not been challenged, Ms Gauchet states that the CB system is used for ‘a quarter of card payments made in the entire European Union’. Taking this into account in addition to the evidence filed by the opponent, which I have summarised and commented on above, I have no hesitation concluding that the duration and intensity of the opponent’s use of its CB mark entitles it to benefit from an enhanced distinctive character.

⁶ *This is highlighted in numerous judgments of the GC and the CJEU including Ruiz Picasso v OHIMi* [2006] e.c.r. –I-643; [2006] E.T.M.R. 29.

Likelihood of confusion

72. In assessing the likelihood of confusion I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.⁷ I must also keep in mind the average consumer for the services, the nature of the purchasing process and have regard to the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa.

73. I have found that the marks share a low degree of visual and aural similarity and are conceptually neutral. I have identified a normal level of inherent distinctive character in the opponent's earlier mark which has been enhanced by the use made of it. I have concluded that there is no similarity between 'inter-bank card payment and cash withdrawal services' and the following:

'Investment banking services, security, stock and bond brokerage services; capital and fund investment services; factoring services; services relating to provision of guarantees; mutual fund services; capital management. Insurance, insurance brokerage and insurance underwriting services. Real estate brokerage, management and appraisal services.'

74. Consequently, there can be no likelihood of confusion in respect of these services in class 36.

75. I have concluded that the parties' services are identical in respect of the following:

'Banking services, foreign exchange services and fund transfer services. Advisory and consultancy services; financial advisory, consultancy and information services; financial planning, analysis, management and organization assistance, advice and consultancy; financial surveys, appraisals, inquiries and research; collection, preparations, compilation, storage, retrieval and provision of financial information, data, statistics and indices; conduct financial reports; economic forecasting and analysis for financial purposes; market analysis research and monitoring services for financial purposes; fiscal assessments, appraisals and consultancy.'

76. I have identified the average consumer, namely a commercial undertaking or member of the general public. I have concluded that the purchase may be visual or aural and will involve at least a reasonable degree of care and attention. In the case of a commercial investor, it is likely to involve a high degree of attention being paid to financial services.

77. In this case the fact that the first letters of the marks are different, in words which are only two and three letters in length, is a significant factor. In my view, the similarities between the competing marks are more than offset by the differences.

78. Taking all the above factors into account, and considering the marks as a whole, I have no difficulty concluding that there is no likelihood of confusion between the competing marks, even where identical goods are involved.

⁷ *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V. paragraph 27*

The objection under 5(4)(a)

79. In light of my conclusion in respect of the likelihood of confusion, the opponent is in no better position under section 5(4)(a) of the Act. There would be no misrepresentation for the same reasons as I have found there would be no confusion.

CONCLUSION

80. The opposition based upon section 5(2)(b) fails.

81. The opposition based upon section 5(4)(a) of the Act fails.

Costs

82. The opposition having failed, the applicant is entitled to a contribution towards its costs. I have taken into account that no hearing has taken place, and that no submissions were filed by the applicant in lieu of a hearing. I make the award on the following basis.

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

Considering the other side's evidence: £ 300

Total: £ 600

83. I order Groupement des Cartes Bancaires to pay Shanghai Commercial Bank the sum of £600. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 11th day of September 2012

**Ms Al Skilton
For the Registrar,
The Comptroller-General**