

# O-377-18

**TRADE MARKS ACT 1994**

**AND IN THE MATTER OF TRADE MARK APPLICATION NO. 3186578  
“SIMCITY BUILDIT” IN CLASSES 9 and 41  
IN THE NAME OF ELECTRONIC ARTS INC**

**AND IN THE MATTER OF OPPOSITION NO. 600000612  
BY DUF LTD**

**APPEAL BY ELECTRONIC ARTS INC  
FROM THE DECISION OF  
MS JUNE RALPH DATED 12 SEPTEMBER 2017**

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## DECISION

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1. This is an appeal from a decision of Ms June Ralph on behalf of the Registrar, BL O/429/17, in which she upheld an opposition to the trade mark application in the name of Electronic Arts Inc. (“the Applicant”) which had been brought by Duf Ltd (“the Opponent”) on the basis of section 5(2)(b) of the Act. The Applicant appealed. For the reasons given below, I dismiss the appeal.

### **Background**

2. The Applicant is the owner of the mark SIMCITY. It is common ground in these proceedings that the SIMCITY mark is connected with a well-known franchise of computer games, with various spin-off titles that all use or are all linked with the SIMCITY name.
3. On 29 September 2016 the Applicant applied to register the mark SIMCITY BUILDIT for the following goods and services:  

Class 9: computer games software; downloadable computer games software via a global computer network and wireless devices; video games software

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Class 41: Entertainment services, namely, providing an on-line computer games; Provision of information relating to electronic computer games provided via the Internet.

4. The application was opposed by Duf Ltd under sub-section 5(2)(b) of the 1994 Act on the basis of its earlier UK trade mark No. 3125527, shown below, which is registered for a variety of goods and services. The opposition was based only upon "entertainment services" in Class 41. The earlier mark is for the following device:



5. It was a fast track opposition in which evidence is not routinely filed. The Applicant applied to file evidence of its reputation in the UK in respect of SIMCITY, on the basis that its reputation would be relevant to the assessment of the likelihood of confusion. On 17 May 2017 it wrote to the UK IPO describing the evidence which it wished to file as follows:

“the evidence will show that SIMCITY is the name of a well-known franchise of computer/console games with various spin off titles that are all linked with the original SIMCITY title. The evidence will show that SIMCITY was first published in 1989 and that it is an open-ended city building computer game. We believe that the existing reputation of the SIMCITY mark and franchise will have a bearing on whether the average consumer of computer games would confuse the mark SIMCITY BUILDIT *for a building related game* with the opponent's earlier stylised mark for BUILD IT.”

Despite the words which I have italicised in the extract above, no application was made at that stage to limit the specification to “building related games.” When the matter came before the Hearing Officer, therefore, the specification was in the original broad terms, covering computer games of all kinds.

6. The Opponent accepted the reputation of SIMCITY in the terms set out in that letter, obviating the need for the evidence which the Applicant had wished to file. That

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matter having been resolved, no hearing was requested or considered necessary, so that the Hearing Officer decided the opposition on the basis of the papers before her, including written submissions from both sides.

7. The Applicant had admitted the identity of its services in Class 41 to the Opponent's services, and admitted that non-downloadable internet games in Class 41 are similar to the goods in Class 9 of its application. The Hearing Officer found that those goods were highly similar to the Opponent's services. She found a medium degree of visual, aural and conceptual similarity between the marks, and found the Opponent's mark to have average inherent distinctiveness. She considered that the words BUILDIT play an independent distinctive role in the Applicant's mark and that there was a likelihood of confusion. She therefore upheld the opposition in relation to both goods and services.

### **Nature of the appeal**

8. This appeal is by way of review. The principles applicable on an appeal of this kind were considered in detail by Daniel Alexander QC sitting as the Appointed Person in *TT Education Ltd v Pie Corbett Consultancy Ltd* (BL O/017/17) at [14]-[52] and his conclusions were approved by Arnold J in *Apple Inc V Arcadia Trading Limited* [2017] EWHC 440 (Ch):

“(i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR 52.11). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong (Patents Act 1977, CPR 52.11).

(ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).

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(iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B* and others).

(iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country* and others).

(v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be 'clearly' or 'plainly' wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).

(vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken

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all of the evidence into account. (*REEF, Henderson* and others).”

9. Further comments on the nature of an appeal to the Appointed Person were made by Mr Iain Purvis QC in *Rochester* BL O/049/17, and he said at [33]:

“... the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:

(i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case

(ii) The legal test ‘likely to cause confusion amongst the average consumer’ is inherently imprecise, not least because the average consumer is not a real person.

(iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal.

(iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence. ... Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case.”

I will bear those principles in mind

### **Basis of the appeal**

10. In its Grounds of Appeal, the Applicant applied to make an unconditional amendment to the specification of its mark in the following terms:

“Class 9: computer games software; downloadable computer games software via a global computer network and wireless devices; video games software; *all of the aforesaid being games involving simulated building, landscaping, construction and city management*;

Class 41: Entertainment services, namely, providing an on-line computer games *involving simulated building, landscaping, construction and city*

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*management; Provision of information relating to electronic computer games provided via the Internet."*

11. The Applicant submitted that the Hearing Officer had erred in not correctly considering the (lack of) distinctive character of the earlier mark or the BUILDIT element of the mark applied for in so far as each concerned computer games involving construction or services relating to such games.
12. It concluded that had the Hearing Officer correctly considered the distinctive character of the marks, she would have given more weight to the stylisation of the earlier mark and the presence of the highly distinctive element SIMCITY in the Applicant's mark and concluded that there was no likelihood of confusion.

### **Amendment of Applicant's specification**

13. I shall deal first with the application by the Applicant to amend the specifications for which it seeks registration. The Applicant said that BUILD IT/BUILDIT does not have a high degree of distinctiveness in relation to computer games (etc) involving simulated building or construction. Hence, the amendment was intended to help to prevent any likelihood of confusion between the parties' respective marks, by reducing the Applicant's specification to cover only goods and services in respect of which the shared element of the two marks would have a very modest distinctive character.
14. At the hearing of the appeal, the Applicant sought to narrow down its specification further than it had done in the Grounds of Appeal, so that I was invited to consider permitting the Applicant to amend the specification as follows:

*"Class 9: computer game software; downloadable computer game software via a global computer network and wireless devices; video game software; all of the aforesaid being games involving simulated building and construction*

*Class 41: Entertainment services, namely, providing an on-line computer game involving simulated building and construction; Provision of information relating to electronic computer games provided via the Internet being games involving simulated building and construction."*

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15. The Applicant submitted that these were narrowing amendments phrased in a manner compliant with the CJEU's guidance in *Postkantoor*, mentioned below, and that the narrower specification could be accepted on this appeal on the basis which I set out in my decision in case BL O/227/16 *Eris FX*. At paragraphs 37-8 of that decision I cited at some length the earlier decision of Mr Alexander QC in *Multisys*. For convenience I will set this out in full below. The central points for present purposes are that (a) an opposition may only be upheld to the extent that it is justified, (b) an application to limit a specification made on appeal should only be admitted where it would be fair to do so, and (c) an amended specification will only be allowed where it is "clearly not objectionable":

"37. A trade mark applicant or owner may raise the possibility of narrowing the specification of his mark on appeal even if it was not raised before the Hearing Officer. Whether the proposal is accepted will depend on a number of factors: see for example *Advanced Perimeter Systems v Keycorp* ("*Multisys*") [2012] RPC 14 and [2012] RPC 15, and *YouView v Total* [2012] EWHC 3158 [2013] E.C.C. 17 especially at [14]-[17], both of which were appeals in oppositions. I will set out the relevant passage from Mr Alexander's decision in *Multisys*. He said:

*"Arguments against considering a fall-back position"*

73 There are several arguments for refusing to entertain a fall-back position at this stage. Among them are the following.

74 First, there is the general point that, in opposition proceedings, if an applicant wishes to contend that a narrower specification is allowable, it can and should say so in good time. There is no reason why APS could not have advanced such a case even given doubts as to the possibility of taking conditional positions. That is one purpose of the pleadings. No fall-back position has been formulated even now, and the matter was hardly touched upon even at the hearing.

75 Second, appeals to the Appointed Person are intended to provide a quick and cheap review of the registrar's decisions. Grounds of appeal should be full and complete: *Coffeemix Trade Mark* [1998] R.P.C. 717 and Tribunal Practice

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Note. Where a point is not squarely taken even on appeal, a proprietor of an earlier right is entitled to assume that it will not emerge later in argument.

76 Third, there is a trend in favour of “put up in time, or shut up” as regards fall-back positions in patent cases (see *Nokia GmbH v IPCOM GmbH & Co KG* [2011] EWCA Civ 6; [2011] F.S.R. 15, per Jacob L.J. in the context of late amendments at [138]–[139]). The position should be no different in trade mark proceedings.

77 Fourth, whether goods are sufficiently similar in a specialist field may require evidence (see GE). If such evidence is required, it would be unjust to permit the point to be run for the first time only on appeal.

78 Fifth, Key declined the chance to limit its specification before the hearing officer and should not be able to get away from that position by inviting a more generous assessment on appeal. This is partly because of the importance of ensuring that all 12 matters arising in an opposition may be considered at least at two instances: first, by a specialist hearing officer and then, on review, by the Appointed Person or the court.

79 Finally, there may be no immediately obvious fall-back position, having regard to C363/99, *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (POSTKANTOOR)* [2004] E.C.R. I-1619, [2004] E.T.M.R. 57 or an alternative specification, if still broad, may be open to other objections, such as want of intention to use across the scope. In particular, it would be wrong for particularly an appellate tribunal to approve a more limited specification when even that went far broader than anything that even might be the applicant business, having regard to the public policy in avoiding clogs on the register by unused marks: see *Minerva Trade Mark* [2000] F.S.R. 734: per Jacob J. (“commercially nonsense to maintain the registration for all goods caused by the wide words”). This is a case which has been necessitated substantially by Key's unjustified attempt to obtain broad protection for the term MULTISYS based on narrow and limited trade.

*Arguments in favour of considering a fall-back position*

80 There are, however, countervailing arguments in this case. Among them are these.

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81 First, it is at least for question whether the average consumer would believe that responsibility for “all” the class 42 services sought to be registered would lie with APS (cf. the decision, para.61). There may be a narrower class of goods for which this would not be the case. In *Mercury*, Laddie J. said that the defining characteristic of a piece of computer software was the function it performs. There is therefore an argument that use of a mark for business administration software may not result in the average consumer thinking that it came from an undertaking using the mark for computer control systems for electrical fencing. To that extent, a more limited specification may have merit. In addition, it might be argued that, as with s.47(5) of the Act, this tribunal should only allow an opposition to the extent that it is justified but not more: see Art.13 of the Trade Marks Directive.

82 Second, viewed generously, the first sentence of Key's grounds of appeal on this issue could be interpreted as being sufficiently broad to raise the issue of whether the hearing officer's evaluation of the similarities was correct overall, and not limited to the construction point, even if in questionable compliance with the COFFEEMIX requirements in this respect. Key extended an invitation, albeit briefly, to consider the point at the hearing and the omission of any reference to the point in skeleton argument does not mean I should not do so.

83 Third, as Richard Arnold Q.C. said *in m.d.e.m*, the procedural position with patent amendment is of limited analogical value for trade mark oppositions and the situation in such cases is more like that of a partially valid patent, where amendments are permissible in certain circumstances. Of greater relevance in this context than the “put up in time or shut up” principle are the considerations adumbrated by Mann J. in *Giorgio Armani SpA v Sunrich Clothing Ltd* [2011] R.P.C. 15, [2011] E.T.M.R. 1 and Geoffrey Hobbs Q.C., Appointed Person, in *CITYBOND Trade Mark* [2007] R.P.C. 13. These are directed to reaching a fair result in opposition proceedings overall.

84 Fourth, there may be no material prejudice to APS in considering the matter for the first time on appeal. Although it was said on behalf of APS that there might be a need for evidence, it takes persuasion that additional material is

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needed to address the simple question of (for example) whether services related to business administration computers and software are sufficiently different from the highly specific goods of APS's specification for it to be unlikely that an average consumer would think that they came from the same source if each were branded "MULTISYS". That is particularly so, given APS's stance on the passing off case. This is not a case in which Key has sought unreasonably broad protection; it is only protecting its entitlement to continue and expand its business under its long-used mark against a registration by APS which would potentially affect its ability to do so.

85 Finally, previous decisions of the Appointed Person have adopted a flexible approach to advancing fall-back specifications even on appeal: see, for example, *SVM Asset Management's Trade Mark* BL O/043/05 at [10] and [21]; *Land Securities plc's Trade Mark Application* BL O/339/04 at [23].

### *Consequences*

86 Doubtless there are other arguments on both sides. The procedural position is therefore imperfect. Moreover, the *m.d.e.m* case illustrates the risk of a wasteful subsequent collateral dispute as a result of either considering or refusing to consider the issue at this stage. Unlike in *m.d.e.m* where there was, at least, the advantage of extensive discussion of the issue at the hearing, the possibility of a more limited specification was only fleetingly addressed by the parties in the s.5(2)(a) argument which itself was treated by the parties as something of a coda to Key's s.5(4)(a) case. The arguments outlined in the previous two paragraphs were not developed by either side and few of the potentially relevant authorities were deployed.

87 It is necessary to cut through to what really matters. As indicated above, I have no doubt that some of the services within Key's broad specification are objectionable, if the specification is taken as it is found. It is less clear that all are. In these circumstances, it is preferable to give the parties an opportunity to make brief further written submissions on whether consideration of a narrower specification is appropriate at this stage and, if so, whether there is such a specification which would not be open to objection under s.5(2)(a) of the Act, in the light of APS's earlier registration.

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88 APS rightly submits that Key's software and services are far removed from those of the subject of its registration. There is no serious prospect of these parties stepping on each other's commercial toes. It may be that opportunity for discussion between the parties in the light of this decision would assist in devising a class 42 specification which was reasonably satisfactory for Key and unobjectionable for APS. In taking the unusual course of inviting further submissions, with cost implications, I take into account that the parties are both represented by counsel, which is an indication of the importance of the case to them. Moreover, this is an issue which should on Key's side have been properly articulated, with reference to all the relevant authorities on substance and procedure in the skeleton argument before the hearing, given Key's apparent invitation at the hearing to consider a narrower specification. It therefore only requires work to be done which, given Key's position, should have been done sooner. Finally, it seems appropriate to provide the parties with an opportunity to comment and, if necessary, add to the arguments set out above in favour of and against consideration of the issue before reaching a final decision.

...

90 Unless a more limited class 42 specification for Key's mark can be devised which is clearly not objectionable, the Hearing Officer's decision refusing the mark in its entirety will stand." (emphasis added).

38. I am concerned here both with the desirability of reaching a fair result overall and with the potential procedural unfairness to the Opponent if the Applicant is given permission to raise a fall-back position at this stage of the appeal."

16. The Applicant plainly could have applied to limit its specification at any stage. It raised the question of the low distinctive character of BUILD IT for games relating to building before the Hearing Officer, but did not choose to limit the specification in the way now sought. Nevertheless, it does not seem to me that it would be unfair to the Opponent to permit the Applicant in this case to make either the amendment proposed in the Grounds of Appeal or the further amendment suggested at the hearing. It is important that the Hearing Officer mentioned in paragraph 27 of her decision that there was a

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conceptual similarity between the parties' respective marks because the "Build It" element of both marks would bring to mind the concept of building something. This amendment essentially reflects that point. The further amendments made at the hearing of the appeal do not seem to me to change the position so as to lead to any material unfairness, especially as they clearly narrow the specification even further. Bearing in mind the principles discussed in *Multisys* and the fact that an opposition may only be upheld to the extent that it is justified, it seems to me that this is an amendment which might, in principle, be made even at this stage.

17. However, that leaves the important question of whether the proposed amendment would have the desired effect of producing a specification which is "clearly not objectionable." That is the question considered in the written submissions which Mr Duffy provided to me at my invitation after the hearing. I will deal with that point when considering the merits of the appeal against the finding that there is a likelihood of confusion.

### **The substantive appeal**

18. Two main errors in the Hearing Officer's decision were identified by the Applicant. First, the Applicant contrasted the Hearing Officer's finding as to conceptual similarity between the marks in paragraph 27 to her views as to the level of inherent distinctiveness of the Opponent's mark in paragraph 30 of the decision, suggesting that her approach was inconsistent and so was wrong.
19. I think it is helpful to start with the Hearing Officer's analysis of the similarity of the goods and services. In their written submissions to the Hearing Officer, the Applicant's attorneys admitted that entertainment services included non-downloadable internet games, and so were identical services. The Hearing Officer noted that admission at paragraph 14 of her decision. At paragraph 16 she said that because the broad term entertainment services covers non-downloadable internet games, the Applicant's Class 9 goods are highly similar to the Opponent's Class 41 services. Neither finding was linked to any consideration of the descriptiveness of the words BUILD IT.

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20. The Applicant's attorneys admitted in their written submissions to the Hearing Officer that the second word in the Applicant's Mark, whilst arguably an invented word, would be likely to be read by the average consumer as "BUILD IT." They conceded that both marks would therefore be likely to be taken to "invite one to build something." They suggested, however, that adding the well-known invented word SIMCITY to the mark would mean that the marks were conceptually similar to "at best a low-medium degree." It is therefore no surprise that in paragraph 27 of her decision the Hearing Officer said that there was some conceptual similarity between the parties' marks because both include the words BUILT IT and so would bring the concept of building something to the mind of the consumer. She said

"I cannot take the reputation of the applicant's SIMCITY mark into account for the purposes of the conceptual comparison. Therefore the concept of the applicant's mark is that of an invented word plus a reference to building something. On that basis, I find there to be a medium degree of conceptual similarity."

Overall, she found there to be a medium degree of visual, aural and conceptual similarity between the marks.

21. The Applicant submitted that the Hearing Officer had contradicted herself in paragraph 30 of her decision because, in contrast to paragraph 27, she said (emphasis added):

"The earlier mark consists of an ordinary English language expression enclosed in a border. *The word element is not descriptive of the services* and there is nothing unusual in the use of a border as a form of presentation. Therefore I consider that the earlier mark has an average degree of inherent distinctiveness."

22. The Applicant complained that this showed that the Hearing Officer had failed to consider the full range of the services covered by the earlier mark, because she did not expressly consider whether the specification covered a sub-set of services consisting of non-downloadable internet games, still less games of that nature which relate to building. I do not consider that there is a direct inconsistency between

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paragraphs 27 and 30. However, it does seem to me that in the latter paragraph there is nothing to indicate that the Hearing Officer considered the question of the distinctiveness of the mark across the full range of services in the earlier mark, in particular its distinctiveness when used for any sub-sets of entertainment services which relate to building or construction. That was a point raised in the Applicant's written submissions, albeit not in terms directly relating to the distinctiveness of the earlier mark for entertainment services. Had she considered that point, it seems probable that she would not have found the mark to have an average level of inherent distinctiveness in relation to such services, but a somewhat lower level of distinctiveness (*some* distinctiveness being inherent in the fact that the mark is registered, following Case C-196/11 *Formula One Licensing* EU:C:2021:314.)

23. The second error which the Applicant submitted had been made by the Hearing Officer was in paragraph 35 of her decision. The Hearing Officer had set out paragraphs 18 to 21 of the judgment in *Whyte and Mackay Ltd v Origin Wine UK Ltd* [2015] EWHC 1271 in which Arnold J considered the impact of the CJEU's judgment in Case C-591/12 *Bimbo SA v OHIM* [2014] E.T.M.R. 41 on the Court's earlier judgment in Case C-20/04, *Medion AG v Thomson* EU:C:2005:594. I do not need to repeat those paragraphs here but it may be helpful to set out the following passage from *Bimbo* in which the Court of Justice held (emphasis added and references removed):

“22 The assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole...

23 The overall impression conveyed to the relevant public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element ...

24 In this connection, the Court of Justice has stated that it is possible that an earlier mark used by a third party in a composite sign that includes the name of the company of the third party retains an independent distinctive role in the

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composite sign. Accordingly, in order to establish the likelihood of confusion, it suffices that, on account of the earlier mark still having an independent distinctive role, the public attributes the origin of the goods or services covered by the composite sign to the owner of that mark ...

25 None the less, a component of a composite sign does not retain such an independent distinctive role if, together with the other component or components of the sign, that component forms a unit having a different meaning as compared with the meaning of those components taken separately ...

...

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

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

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

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

24. The Hearing Officer dealt with the likelihood of confusion in a single paragraph:
- "35. The competing trade marks both contain the identical words BUILD IT, either separately or conjoined, and I have found that they are visually, aurally and conceptually similar to a medium degree. The applicant has stated that the Mark SIMCITY is a "well-known franchise of computer games" and this was conceded by the opponent in the Case Management Conference held on 21 June 2017. However, I find the words BUILDIT do play an independently distinctive role with the applicant's mark and will therefore lead to a likelihood of confusion."
25. The Applicant submitted that this short paragraph showed an overly mechanical, formulaic application of the principles in *Medion* and *Bimbo* and was contrary to the approach approved by Arnold J in *Whyte and Mackay*. It also submitted that the words BUILD IT have so little distinctiveness for games relating to building that there would be no likelihood of confusion arising from use of the composite mark. In that regard, it was the Applicant's case that the two errors made by the Hearing Officer converged and fed into her erroneous global assessment of the likelihood of confusion.
26. In paragraph 21 of *Whyte & Mackay* Arnold J summarised the point from *Bimbo* (emphasis added):
- "even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, *it does not automatically follow that there is a likelihood of confusion*. It remains

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necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

In *Whyte & Mackay*, the common element was the word "origin" which Arnold J found to be descriptive when used in relation to alcoholic drinks, so that there was no likelihood of confusion with the composite mark "Jura Origin."

27. Arnold J also considered the impact of *Medion in Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), [2013] E.T.M.R. 33. In particular he said at paragraphs 45-46:

"45. I entirely accept the basic proposition which the Court of Justice has repeated many times, namely that the assessment of likelihood of confusion must be made by considering and comparing each of the signs as a whole. As the Court of Justice recognised in *Medion v Thomson*, however, there are situations in which the average consumer, while perceiving a composite sign as a whole, will recognise that it consists of two signs one or both of which has a significance which is independent of the significance of the composite whole. Thus when the well-known pharmaceutical company Glaxo plc acquired the well-known pharmaceutical company Wellcome plc, the average consumer of pharmaceutical goods confronted with the composite sign GLAXO WELLCOME or GLAXOWELLCOME would perceive the significance of both the whole and its constituent parts and conclude that this was an undertaking which combined the two previously separate undertakings ... The essence of the Court of Justice's reasoning in *Medion v Thomson* is that an average consumer of leisure electronic products confronted with the composite sign THOMSON LIFE could perceive both the whole and its constituent parts to have significance and thus could be misled into believing that there was a similar kind of connection between the respective undertakings.

46 ... this can only occur in circumstances where the consumer perceives the relevant part of the composite sign to have significance independently of the whole.

28. The Applicant relied upon a number of decisions of other Appointed Persons (e.g. O/307/15 *Easy Dream Beds*, O/048/18 *Brewdog Elvis Juice*) as authorities for the

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proposition that the fact that a word performs an independent distinctive role in a composite mark is insufficient for an automatic finding of conflict. It does not seem to me that these decisions are particularly helpful to me in this case, as each turned on its own facts.

29. In *Whyte and Mackay*, Arnold J also held (at paragraph 44) that “if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion.” The Applicant submitted that the Hearing Officer should therefore have focused on the low/minimal level of distinctiveness of the element common to both marks.
30. I accept that in the last sentence of paragraph 35 the Hearing Officer appears to say that because the words BUILD IT play an independently distinctive role within the Applicant's mark there will *automatically* be a likelihood of confusion. I also accept that if that was the sum total of the Hearing Officer's reasoning, it was directly contrary to *Medion* and *Bimbo*. The difficulty arises from the brevity with which the Hearing Officer dealt with this important issue and with the global assessment of the likelihood of confusion in general.
31. It is necessary to consider whether the Hearing Officer carried out an appropriate global assessment, so that the manner in which she expressed herself in the last sentence of paragraph 35 simply reflects an infelicitous choice of language, rather than that she took the wrong approach. In that paragraph the Hearing Officer certainly identified some of the major factors to be taken into account, but in my view the Applicant is right to say that she did not consider the issue of the level of inherent distinctiveness of BUILD IT for goods or services relating to building games, nor did she indicate whether or to what extent she thought that the reputation of the Applicant's mark affected the likelihood of confusion. She failed to consider how the average consumer would understand the words BUILD IT in the context of the relevant goods/services.

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32. On balance, it seems to me that the Hearing Officer's analysis of the likelihood of confusion was not complete, or at least that it is not possible to tell whether she had taken all of the necessary factors into account.
33. For all these reasons, in my judgment the Applicant is right to say that there is an error of principle in the Hearing Officer's approach. It is therefore necessary for me to consider the likelihood of confusion afresh.
34. The Applicant relies upon the undoubted and admitted renown of the SIMCITY name. It suggests, in effect, that the descriptiveness of the BUILDIT element of its mark will mean that the mark is dominated by SIMCITY. I am prepared to accept that the average consumer of the goods and services within the Applicant's proposed amended specification would be likely to be familiar with the name SIMCITY and place a good deal of reliance upon it. SIMCITY may well be the dominant element of its mark. However, the overall impression conveyed to the relevant public by a composite trade mark may not always be dominated by one of its components, and it is only if the other components of the mark are negligible that the assessment of the similarity of the marks can be carried out solely on the basis of the dominant element. In my judgment, 'BUILDIT' cannot be said to be a negligible element of the Applicant's mark, even if it is of relatively low distinctiveness.
35. Next, it is necessary to consider whether the Applicant's mark forms a unit having a different meaning to its components parts taken separately. In *Whyte and Mackay*, Arnold J. said at paragraph 20 that the principle that an average consumer may perceive a composite sign as consisting of two signs, one of which has a distinctive significance independent of the significance of the whole, and so be confused, applies only where the composite mark would not be seen as a unit having a different meaning to the meanings of the separate components. He found that the expression JURA ORIGIN would be understood by the average consumer as meaning that the goods originated from the producer called JURA: JURA ORIGIN would be understood as a unit, and the word ORIGIN did not have an independent distinctive role in the mark.

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37. However, the mark in question here is not on all fours with JURA ORIGIN. BUILD IT cannot in my judgment be equated to ORIGIN in terms of its lack of inherent distinctiveness. I accept that BUILD IT makes a very strong allusion to the nature of the goods or services (assuming that those include or are limited to construction games), but the words have an element of inventiveness, especially as conjoined in the Applicant's mark, and cannot in my view be equated to wholly descriptive terms such as "builders" or "building." It seems to me that even on the basis of the proposed narrower specification the average consumer of the Applicant's goods as well as its services would perceive both the whole and the constituent parts of the mark SIMCITY BUILDIT to have significance. In my view, that would be the case even if the consumer would appreciate the descriptive aspect of BUILD IT, because those words have some level of inherent distinctiveness. As a result, it does not seem to me that the BUILDIT element of the Applicant's mark is so descriptive or otherwise negligible that SIMCITY BUILDIT would be seen solely as a unit.
38. It seems to me that certain of the interdependent factors which must be taken into account in the global assessment of the likelihood of confusion point to there being a likelihood of confusion. There is a moderate degree of visual, aural and conceptual similarity between the marks. The Applicant suggested that the Hearing Officer had neglected the visual impact of the stylisation of the earlier mark, but it does not seem to me that there is any error in the Hearing Officer's analysis of the visual similarity of the marks – the stylisation is moderate and does not significantly change the overall assessment of the marks as being moderately similar. In addition, even on the basis of the restricted specification now sought by the Applicant the services are identical to the services of the earlier mark and the goods are similar to its services.
39. On the other hand, and bearing in mind the point made by Arnold J at paragraph 44 of *Whyte v Mackay* (set out above), it is significant that BUILD IT would have a lower level of distinctiveness for entertainment services consisting of non-downloadable internet games relating to building construction. This was a point relied upon heavily by the Applicant, and the reason for the proposed amendment to its specification.

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40. It is also important that SIMCITY is a well-known mark in its own right, especially in relation to the sort of games included in the proposed amended specification.
41. However, as I have explained above, in my judgment SIMCITY BUILDIT is liable not to be seen as a 'unit', but the component parts would be identified and noticed by the average consumer. As a result, when used in relation to the Applicant's goods and services, even for the narrower specification, the Applicant's mark will be likely to be perceived as BUILD IT juxtaposed with the much more distinctive mark SIMCITY. It may well be seen as a sub-brand of the well-known SIMCITY mark, however that would not preclude the possibility that a consumer who is aware of the earlier mark would notice the BUILD IT component of the Applicant's mark and suppose the latter mark to be connected in the course of trade with the Opponent's mark.
42. In my judgment, therefore, consumers would not be likely to mistake one mark for the other, but could be confused into believing that there was a trade connection of some kind between SIMCITY and BUILD IT, especially given the identity or close similarity of the goods and services. In my view, therefore, taking all of these factors into account, there is a likelihood of confusion between the marks. Even allowing for the fact that the specification could be narrowed, as proposed by the Applicant, it does not seem to me that the resulting trade mark would be "clearly not objectionable."
43. The appeal is therefore dismissed.
44. As the successful party, Duf Ltd is entitled to a contribution towards its costs of the appeal, on the limited basis applicable to litigants in person. I make the following directions, after which I shall make an Order as to costs:
  - a. Duf Ltd shall provide me with a summary of any costs/expenses relating to the appeal that it wishes to claim by email (using the address previously provided) by 4 pm on Friday 13 July;
  - b. The Applicant may respond similarly by 4 pm on Friday 27 July.
  - c. Each party shall copy its submissions to the other.

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Amanda Michaels  
The Appointed Person  
20 June 2018

**Simon Malynicz** (instructed by J A Kemp) appeared for the Applicant/Appellant

**Mark Duffy** (its director) represented the Opponent/Respondent