

O/421/18

TRADE MARKS ACT 1994

**TRADE MARK REGISTRATION No. 3096440
IN THE NAME OF SECRET SAUCE LIMITED**

AND

**APPLICATION NO. CA501658
BY UNIVERSAL INTERNATIONAL MUSIC B.V.
FOR A DECLARATION OF INVALIDITY**

BACKGROUND AND PLEADINGS

1. Secret Sauce Limited (herein “Sauce”) is the registered proprietor of a UK trade mark (No.3096440) for “VRTGO” in respect of the following services:

Class 36: *Provision of serviced and managed offices; rental, leasing and management of commercial property, offices and office space.*

Class 41: *Education and training services; arranging of seminars and conferences; delivery of seminars and conferences; all relating to technology, telecommunications, virtual reality technology and digital media.*

Class 43: *Provision of facilities for meetings, conferences, seminars and exhibitions; rental of temporary accommodation.*

2. Sauce applied for registration on 26 February 2015 and its trade mark became registered on 22 May 2015.
3. On 11 May 2017, Universal International Music B.V. (herein “Universal”) filed an application, on Form TM26(l), to invalidate Sauce’s registration. The Form 26(l) that was originally filed based the application for invalidity on two grounds under the Trade Marks Act 1994 (“the Act”), namely section 5(2)(b) and section 5(3); however, Universal filed an amended statement of grounds to remove the section 5(3) ground.
4. The application for invalidity is directed against the whole of Sauce’s registration and is based on two EU trade marks (“Universal’s marks”) as detailed below. For ease of reference, I have underlined parts of the specifications that later arise in the comparison of goods and services.

Universal's marks

EUTM 7212939

Applied for: 4 September 2008

Registered: 10 November 2009

VERTIGO

(word mark)

Class 9: Pre-recorded audio tapes, discs and cassettes, video tapes, discs and cassettes, digital audio and audio video tapes and discs, CDs, DVDs, laser discs, and phonograph records featuring music and entertainment; theatrical and musical sound recordings and video recordings; virtual reality game software; downloadable ring tones, music, mp3 files, graphics, games, images and videos for wireless communication devices; downloadable music, mp3 files, graphics, computer games, images and videos; computer game software, tapes, cartridges and cassettes; video game software, tapes, cartridges and cassettes; and mouse pads.

Class 35: Advertising and promotion services and related consulting services; advertising and publicity services; association services, namely promoting the interests of musicians, singers, songwriters, musical performers and artists; computerized on-line ordering featuring general merchandise and general consumer goods; computerized on-line ordering services in the field of music; computerized online retail store services in the field of music; computerized on-line gift ordering services which matches the gift giver's requirements with the gift recipients wants and needs; conducting an on-line tradeshow exhibition, in the field of music, musical concerts and videos; mail order catalog services featuring CDs, cassettes, DVDs, clothing, and related general merchandise; on-line retail store services featuring downloadable pre-recorded music and audio-visual content, clothing, and related general merchandise; organization of promotions using audio-visual media; preparing audio visual presentations for use in advertising; arranging and conducting trade show exhibitions in the field of music and entertainment; arranging and conducting fairs and exhibitions for business and advertising purposes; promoting and conducting trade shows in the field of music; promoting the concerts of others; promoting the goods and services of others by arranging for sponsors to affiliate their goods and services with concerts and musical events; promoting the goods of others by preparing and placing advertisements in an electronic magazine accessed through a global computer network; retail store services available through computer communications and interactive television featuring CDs, cassettes, DVDs, videocassettes and related licensed merchandise; subscriptions to books, reviews, newspapers or comic books; management services for musical artists; talent agency services; advertising, including promotion of products and services of third parties through sponsoring arrangements and license agreements relating to music events; promoting music competitions and events for others; promoting goods and services of others by arranging for sponsors to affiliate their goods and services with music competitions and events; promoting the interests of people involved and concerned with music; and providing on-line registration services for music competitions.

Class 41: Distribution of music; distribution of musical sound recordings and video recordings; preparing audio-visual displays in the field of music; providing information in the field of music about the goods and services of others via a global computer network.

EUTM 8513921

Applied for: 27 August 2009

Registered: 12 May 2012



(figurative mark)

Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, supervision, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; MP3 records, automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; recorded media, computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; digital music; telecommunications apparatus; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; pre-recorded audio tapes, discs and cassettes, video tapes, discs and cassettes, digital audio and audio video tapes and discs, CDs, DVDs, laser discs, and phonograph records featuring music and entertainment; theatrical and musical sound and video recordings; virtual reality game software; downloadable ring tones, music, mp3 files, graphics, games, images and videos for wireless communication devices; downloadable music, mp3 files, graphics, computer games, images and videos; computer game software, tapes, cartridges and cassettes; video game software, tapes, cartridges and cassettes; cell phones and cell phone accessories; and mouse pads; video game cartridges; parts and fittings for all the aforesaid goods; none of the aforesaid being projection screens, screens for the display of images, collapsible and portable image display screens.

Class 16: Paper, cardboard and goods made from these materials; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters packaging materials; printers' type; printing blocks; disposable nappies of paper for babies; printed publications; paint boxes for children; cheque book holders; books and magazines in the fields of music, entertainment, art and/or culture; address books; appointment books; pens; calendars; greeting cards; post cards; pen and pencil cases; pencil sharpeners; pens; pencils; date books; bumper stickers; decals; note pads; stickers; rubber stamps; tattoos; posters; milk bottle caps used for trading; trading cards; stationery; money clips.

Class 25: Clothing; headgear; bandannas; bathing suits; belts; blouses; body suits; footwear; shoes; underwear; undergarments; ties, bustiers; coats; dresses; vests; gloves; gowns; hats; caps; hosiery; jackets; lingerie; pajamas; pants; robes; scarves; shorts; shirts; visors; skirts; halloween costumes; suspenders; ear muffs; sweat shirts; sweat pants; sweat jackets; sweaters; t-shirts; tank tops; socks; tops; wrist bands; and childrens' clothing, namely, infantwear, headwear, footwear, jackets, sweaters, coats, skirts, shirts, t-shirts, tank tops, blouses, dresses, shorts, pants, bathrobes, cloth bibs, booties, coveralls, creepers, ear muffs, hosiery, tights, jumpers, leggings, hats, mittens, night gowns, overalls, pajamas, rompers, shawls, shoes, socks, swim wear, sweat pants and sweat shirts.

Class 35: Advertising; business management; business administration; office functions; electronic data storage; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; distributorship of music; distribution of musical sound recordings and video recordings; advertising and promotion services and related consulting services; advertising and publicity services; association services, namely promoting the interests of musicians, singers, songwriters, musical performers and artists; computerized on-line ordering services in the field of music; computerized on-line gift ordering services which matches the gift giver's requirements with the gift recipients wants and needs; conducting an on-line tradeshow exhibition, in the field of music, musical concerts and videos; organization of promotions using audio-visual media; preparing audio visual displays in the field of music; preparing audio visual presentations for use in advertising; arranging and conducting trade show exhibitions in the field of music and entertainment; arranging and conducting fairs and exhibitions for business and advertising purposes; promoting and conducting trade shows in the field of music; promoting the concerts of others; promoting the goods and services of others by arranging for sponsors to affiliate their goods and services with concerts and musical events; promoting the goods of others by preparing and placing advertisements in an electronic magazine accessed through a global computer network; providing information about the goods and services of others via a global computer network; subscriptions to books, reviews, newspapers or comic books; on-line retail services, retails services via mail order catalogues, outlet stores, and interactive television all featuring the sale of apparatus for recording, transmission or reproduction of sound or images, magnetic data carriers, recording discs, MP3 records, automatic vending machines and mechanisms for coin operated apparatus, data processing equipment and computers, recorded media, computer hardware and firmware, computer software, software downloadable from the Internet, downloadable electronic publications, compact discs, digital music, telecommunications apparatus, computer games equipment adapted for use with an external display screen or monitor, mouse mats, mobile phone accessories, contact lenses, spectacles and sunglasses, pre-recorded audio tapes, discs and cassettes, video tapes, discs and cassettes, digital audio and audio video tapes and discs, CDs, DVDs, laser discs, and phonograph records featuring music and entertainment, theatrical and musical sound and video recordings, virtual reality game software,

downloadable ring tones, music, mp3 files, graphics, games, images and videos for wireless communication devices, downloadable music, mp3 files, graphics, computer games, images and videos, computer game software, tapes, cartridges and cassettes, video game software, tapes, cartridges and cassettes, cell phones and cell phone accessories, paper, cardboard and goods made from these materials, printed matter, photographs, stationery, printed publications, books and magazines in the fields of music, entertainment, art and/or culture, address books, appointment books, pens, calendars, greeting cards, post cards, pen and pencil cases, stickers, leather and imitations of leather, animal skins, hides, trunks and travelling bags, handbags, rucksacks, purses, umbrellas, parasols and walking sticks, whips, harness and saddlery, clothing, headgear, footwear, games and playthings, gymnastic and sporting articles, electronic game equipment, electronic games (hand held unit for playing), stand alone video game machines, hand held unit for playing video games, pinball-type games, arcade-type electronic video games, pinball machines, gaming equipment, namely poker chips, dolls, doll accessories and clothing, baby rattles, bath toys, beach balls, action figures and accessories therefore, electric action toys, children's multiple activity toy, christmas tree ornaments, costume masks, kites, musical toys, pet toys, plush toys, puppets, puzzles, stuffed dolls and animals, swim floats, target games, toy action figures, toy banks and sporting goods, namely golf clubs, baseballs, baseball bats, footballs, basket balls and soccer balls.

Class 41: Education; providing of training; entertainment; sporting and cultural activities; production of television and radio programs; distribution of television and radio programs for others; production and publishing of music; providing online entertainment, namely providing sound and video recordings in the field of music and music based entertainment; entertainment services, namely providing online non-downloadable prerecorded musical sound and video recordings via a global computer network; fan clubs; development and dissemination of educational materials of others in the field of music and entertainment; radio entertainment production and distribution; audio and sound recording and production; record production; videotape production; production of motion picture films; distribution of motion picture films; television program syndication; entertainment in the nature of ongoing television programs in the field of music and entertainment; entertainment, namely a continuing music and entertainment show distributed over television, satellite, audio, and video media; publication of books and magazines; entertainment in the nature of ongoing radio programs; entertainment in the nature of live concerts and performances by musical artists and groups; entertainment services, namely personal appearances by musical groups, musical artists and celebrities; entertainment services in the nature of performances rendered by musical artists through the medium of television, radio, and audio and video recordings; entertainment services, namely recorded performances by musical artists; educational and entertainment services, namely, production and presentation of television shows, sports events, fashion shows, game shows, music shows, award shows and comedy shows before live audiences which are all broadcast live or taped for later broadcast; entertainment services, namely, providing a web site featuring musical performances, musical videos, related film clips, photographs, and other multimedia materials; entertainment services, namely, providing on-line reviews of music, musical artists and

music videos; entertainment services, namely, providing prerecorded music, information in the field of music, and commentary and articles about music, all on-line via a global computer network; entertainment services namely live, televised and movie appearances by a professional entertainer; conducting entertainment exhibitions in the nature of music festivals; entertainment services, namely, conducting exhibitions in the field of music and the arts; organizing exhibitions for entertainment purposes featuring music and the arts; and publishing of web magazines; distribution of music; distribution of musical sound recordings and video recordings; preparing audio-visual displays in the field of music.

5. For its sole remaining ground under section 5(2)(b), Universal indicated in its Form 26(I) that it relies on all its registered goods and services. The amended statement of grounds claims that a wide variety of its goods / services in Classes 9, 16, 25, 35 and 41 are identical/highly similar to the goods / services covered by Sauce's mark. To support that claim it gives a handful of specific examples of this claimed identity/similarity, which are emphasised to represent "by no means ... an exhaustive comparison", which it stated it would provide later in the proceedings. I shall refer later in this decision to Universal's claims as to the comparison of the goods and services at issue.
6. By way of incidental comment, I note that the examples in the statement of grounds draw only from Universal's services in Classes 35 and 41, and whilst Universal in later submissions does indeed draw more widely on its registered goods and services (presented conveniently in a comparison table) I consider that it would have been preferable to have focused the initial claim more sharply, to exclude any specified goods or services that clearly have no similarity with the coverage of the contested mark – in this case at the very least the Universal's goods in classes 16 and 25. This would have helped increase the clarity of the claim faced by the other side, as well as the efficiency of the decision to be made by the Tribunal. I also note that Universal does not consistently distinguish between the goods and services under each of its two marks.
7. Universal claims in its statement of grounds that the marks are aurally identical and visually highly similar, and that in view of the claimed identity or similarity of the respective goods and services, there is a risk of confusion and/or association between the parties' marks such that Sauce's mark offends against section 5(2)(b) of the Act and ought therefore to be declared invalid in line with section 47(2)(a) of the Act.

8. The Applicant filed a Form TM8 notice of defence and counterstatement, denying the similarity of the marks and making various points relating to the parties' actual respective areas of operation and business activities, distinguishing some of the services at issue. Some of the counterstatement is based on a misconception of relevant legal considerations, but I extensively set out the content of the counterstatement in order that the registered proprietor, who is not legally represented, may better understand the context of this decision. The counterstatement makes the following points:
- i. Sauce uses its VRTGO mark for an annual Virtual Reality and Augmented Reality Conference, which is a business-to-business event. Most of the attendees, speakers, sponsors and exhibitors work in the technology sector, gaming sector and immersive technology sector, although some attendees are students or work in various other sectors.
 - ii. Sauce does not itself develop Virtual Reality or Augmented Reality technology and does not have the expertise or knowledge to develop a platform, application or site to do this. Its only interest in bringing Virtual Reality and Augmented Reality businesses together to explore the future of this technology and to help businesses develop meaningful contacts.
 - iii. Sauce "does not ... and will never work in the music industry", but "may invite interesting speakers from time to time."
 - iv. *"Secret Sauce Ltd is a small company but we have invested resources and money into making VRTGO a brand for an annual conference. The cost of building this brand has been large in relation to the size of the company. Secret Sauce Limited has shown entrepreneurial spirit and developed the first business conference in Virtual Reality in the UK and probably Europe. A lot of hard work has been ploughed into the event and brand. To start again will be costly and our resources are limited."*
 - v. It claims its mark VRTGO is not pronounced as "vertigo", but as "VR TO GO", so both sounds different and has a different meaning.
 - vi. Sauce states that *"the VRTGO logo itself is very different in colours and design to the Vertigo logo. The VRTGO logo is significantly visually different from the Applicant's logo VERTIGO. [Sauce uses] the brand in most cases with the year to denote the year of the conference. The brand "VRTGO" is hardly ever used, rather, "VRTGO 2017" is the branding for [that] year. There is no use of the Applicant's brand assigned to a date or year."*

- vii. When Sauce filed its trade mark for "VRTGO", Universal was not using an abbreviated version of their "VERTIGO" mark. Sauce claims that *"only after the launch of the VRTGO conference and brand, did the Applicant alter their use of "VERTIGO" to "VRTGO". Thus, at the time of filing, there was no implied similarity between the brands, they were materially different and the trade mark was awarded to Secret Sauce for "VRTGO". Thus, the Applicant's mark is not in confusion with "VRTGO".*
- viii. Sauce states that *"only an unfiled and unauthorised change to Applicant's branding has caused the alleged confusion between the brands. Thus, Secret Sauce's valid use of the "VRTGO" mark has been unduly harmed by the Applicant's use of "VRTGO" in the public domain. Had the Applicant felt that they rightfully held the "VRTGO" brand for the uses Secret Sauce legally holds, they could have filed this paperwork before launching the brand. Instead, the Applicant has brought about the alleged confusion in the marketplace, and is now attempting to leverage their disparate difference in size and resources to correct a mistake. We are aware the applicant uses the brand "VRTGO" which was launched in November (over 2 years after we launched VRTGO Conference). The brand launched by the Applicant, Universal Music is a music platform for consumers."* The counterstatement also refers to Sauce having a significantly larger social media presence than appears to be the case for "@VRTGOMusic".
- ix. Sauce states that there is no brand confusion and that in the 3 years since it has been *"using the VRTGO brand, there has not been a single case of confusion with any person or organisation with the music industry or Universal Music."*
- x. Sauce contests a point of similarity put forward by Universal in its Statement of Grounds, which I take into account when I compare the goods and services.

Papers filed and representation

9. Both parties filed written submissions during the evidence rounds; neither filed evidence. Universal also filed written submissions in lieu of a hearing. I bear all submissions in mind in this decision and shall refer to them where appropriate. Universal is represented by Lane IP Limited; Sauce, as I have mentioned, represents itself in these proceedings.

DECISION

Relevant legislation

10. Section 47 of the Act provides for invalidity of a registration and the immediately relevant parts of that section are set out below:

47 Grounds for invalidity of registration

(1) [...]

(2) *The registration of a trade mark may be declared invalid on the ground—*

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) [...]

... unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(3) [...]

(4) [...]

(5) *Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.*

(6) *Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:*

Provided that this shall not affect transactions past and closed.

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

“... A trade mark shall not be registered if because-

... (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

12. Section 6(1)(a) of the Act defines an “earlier trade mark”, as including “a *European Union trade mark ... which has a date of application for registration earlier than that of the trade mark in question ...*”. As detailed above, both the EUTM registrations relied on by Universal were filed on dates earlier than Sauce’s mark and are clearly earlier trade marks under the Act.
13. Universal’s figurative mark (EUTM No: 8513921) – had not been registered for five years or more when Sauce’s mark was published for opposition. That earlier mark is therefore not subject to the proof of use provisions under section 6A of the Act. Universal’s word mark (EUTM No: 7212939) had been registered for more than five years when Sauce’s mark was published for opposition and is therefore subject to the proof of use provisions under section 6A of the Act. Universal ticked the box in its Form TM26(I) confirming (at question 2) that the word mark had been registered for five years or more at the relevant time, and claiming (at questions 3 and 3a) that the mark has been used in relation to all goods and services for which it is registered.
14. Although Universal’s word mark is subject to proof of use, Sauce gave no indication in its Form TM8 that it wished to put Universal to proof of use. Section 7 of the Form TM8 explains the nature and implications of the proof of use requirements before asking whether the respondent wishes the cancellation applicant to provide proof of use. In this instance Sauce ticked neither box to indicate either “Yes” or “No”, but, seemingly in line with the instruction attached to the “No” tick box, proceeded to give its counterstatement at Section 8 – although that is hardly conclusive in its implications. What is clear is that during the evidence rounds Universal expressly stated in its submissions that it had not been put to proof of use for its word mark, with the consequence that there was no need to file any proof of use evidence in these proceedings. Sauce took no issue with that point when it filed its own submissions during the evidence rounds. Universal is therefore able to rely on the full range of the goods and services claimed under both its earlier marks, with no obligation to show that those marks have been used at all.

15. The following decisions of the EU courts provide the principles to be borne in mind when considering section 5(2)(b) of the Act:

Sabel BV v Puma AG, Case C-251/95;

Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc, Case C-39/97;

Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. Case C-342/97;

Marca Mode CV v Adidas AG & Adidas Benelux BV, Case C-425/98;

Matratzen Concord GmbH v OHIM, Case C-3/03;

Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH, Case C-120/04;

Shaker di L. Laudato & C. Sas v OHIM, Case C-334/05P; and

Bimbo SA v OHIM, Case C-591/12P.

16. The principles are that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the marks

17. It is clear from *Sabel*¹ that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (CJEU) stated in *Bimbo* that: “.....it is necessary to ascertain, in each individual case, the overall impression

¹ *Sabel BV v Puma AG*, Case C-251/95

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.”

18. It would therefore be wrong to dissect the trade marks artificially, but it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features that are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are shown below:

Universal’s earlier registered word mark:	VERTIGO
Universal’s earlier registered figurative mark:	
Sauce’s contested trade mark:	VRTGO

19. Universal’s word mark consists only of the word “VERTIGO” so the overall impression of that mark comes solely from that ordinary English-language word. Universal’s figurative mark consists of a circular device incorporating numerous curved lines, beneath which, representing perhaps a quarter of the physical extent of the whole sign, is the word “VERTIGO” presented (effectively) in white block capitals. The device is prominent, but the average consumer will try to read a word in context, so the word element contributes in roughly equal measure to the overall impression.
20. The overall impression of Sauce’s mark derives solely from the single word “VRTGO”, which is not a word in the English language, and may be seen simply as five capital letters, or may, for some, be perceived to approximate the word “vertigo.”

Visual similarity

21. Universal's word mark comprises seven letters, whereas Sauce's mark has five. The same five letters, in the same order, appear in both marks and the marks share the same opening, middle and closing letters. However, relative absence of vowels is striking and I find that those marks are **visually similar to a medium degree**.
22. Universal's figurative mark includes the word vertigo, which retains an independent distinctive role, and to that extent similar considerations apply as I have found above for Universal's word-only mark. The font deployed in the figurative mark is not especially elaborate, but in my view the tight spacing and slight elongation of the white block letters slightly reduces the immediacy of their legibility and the impact in the overall impression. However, even if that is not the case, in view of the relative size and positioning of the word element, and the prominent device element, which is entirely absent from Sauce's mark, I consider that from a **purely visual perspective Universal's figurative mark is similar to Sauce's mark only to a low degree**.

Aural similarity

23. Since the word component is common across both of Universal's marks and since the device plays no role, my assessment of aural similarity is simply between "VERTIGO" and "VRTGO". Whereas Universal claims the marks are aurally identical, Sauce submits that there is a significant difference in their pronunciation as it claims that the missing vowels in VRTGO have an impact on the way people say the word "especially because the Registrant, when using its trade mark, highlights the VR as this is a link to Virtual Reality". It supports that submission with a link to its website and an example of the way it presents its mark. Sauce submits that its mark is "often called VR To Go and may even be pronounced VRT-GO, but not VERTIGO."
24. Universal points out in its submissions in lieu of a hearing that Sauce has provided no evidence as to what its mark is 'often called' or how it is pronounced, and that "this aside, the Office must assess the mark as it is registered...". I agree with those submissions. Universal submits that "given there are no spaces, hyphens or dots or any separations between the letters, the mark will be spoken as 'VERTIGO' being the only logical way to

say the word.” In contrast, Sauce argues that the average consumer for the goods and services at issue would not naturally insert the vowels “E” and “I”.

25. I find that there are several ways in which the relevant notional average consumer for the goods and services at issue may pronounce the contested mark. It may quite reasonably sound out the five capital letters as individual letters “V-R-T-G-O” (which is not aurally similar to Universal’s marks); it may, much as Sauce submits, say “V-R T’GO”, which I find aurally similar to Universal’s marks to a very low degree². Or, since the “go” element is at least equivalent to the ordinary word “go”, it may be said “V-R-T-GO” which again is aurally similar to Universal’s marks to a very low degree.
26. On the other hand, I find that some amongst the relevant notional average consumer will be inclined to pronounce acronyms (or letter phrases) as syllabled words, rather than as simply the chain of individual letters that comprise the mark. I find that such people would naturally pronounce the VRT component as “VERT” – so that the word would be at least said “vertgo”. On that construction, I find the parties’ marks are aurally similar to a reasonably high degree. However, since “vertgo” is a word without meaning in the English language, but “vertigo” is a meaningful word that most people will have come across, I find it entirely plausible that at least a significant part of the relevant public would pronounce “VRTGO” as “vertigo”, in which circumstances and to that extent the respective marks are **aurally identical**.

Conceptual similarity

27. Universal submits that there is a conceptual overlap between the parties’ marks because, it argues, VRTGO is a contracted or compressed form of the word “vertigo” and so conjures up that same concept, despite the missing two missing vowels and despite VRTGO having no conceptual meaning per se.
28. In *Usinor SA v OHIM*³ the General Court found that as regards the conceptual comparison, “while the average consumer normally perceives a mark as a whole and

² All the more likely if the “VR” were distinctly highlighted in different colouring for example, but my assessment and findings must be made on the basis of the plain form in which the contested mark is registered.

³ Case T-189/05 at paragraph 62, with case law cited.

does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him ...”

29. I find that at least a significant part of the relevant public will immediately perceive a compressed version of the word vertigo, and so for those there will be **at least a high degree of conceptual similarity, even identity**. This is the case even though I accept that some others may perceive the “VR” / virtual reality reference intended by Sauce.

Overall similarity

30. Since I have found possible aural and conceptual identity between Sauce’s mark and both the earlier marks act in this case, then taken with the medium degree of visual similarity I have found for the **word mark**, I find that mark to have a **high degree of overall similarity**.
31. The low degree of visual similarity in the **figurative mark** leads to a lower overall similarity for that mark, but taken with the possible aural and conceptual identity I would still estimate the **overall similarity as around medium**, noting that when a trade mark is composed of word elements and figurative elements, the former are, as a rule, more distinctive than the latter since the average consumer will more easily refer to the goods or services in question by citing the name rather than describing the figurative element of the mark⁴.

Comparison of goods and services

32. Since Sauce has not put Universal to proof of use of its earlier marks, my task of comparing the goods and services is to be made on the basis of notional and fair use of all and any of the goods and services in the parties’ respective specifications. This idea of a notional comparison is in line with the words of Kitchin L.J. in *Roger Maier and Another v ASOS*⁵, where he stated that:

⁴ See Case T-690/14 *Sony Computer Entertainment Europe Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:T:2015:950] at [49].

⁵ [2015] EWCA Civ 220

"78.the court must.... consider a notional and fair use of that mark in relation to all of the goods or services in respect of which it is registered.

.... it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion."

33. I approach this task by considering the services in Sauce's specification and looking across the classes of the goods and services relied on by Universal. I give the words their natural meaning with neither undue extension nor constraint and I bear in mind the following principles from case law (which hold true for services as well as for goods).

34. In *Gérard Meric v Office for Harmonisation in the Internal Market (OHIM)*, the General Court stated⁶ that goods can be considered as 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. This principle holds true for services as well as for goods.

35. In *YouView TV Ltd v Total Ltd*,⁷ Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise Nevertheless the principle should not be taken too far Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

36. I also take account of the factors identified by the Court of Justice of the European Union ("the CJEU") in *Canon*⁸ where it states that:

⁶ Case T- 133/05 at paragraph 29 of that judgment.

⁷ [2012] EWHC 3158 (Ch)

⁸ Case C-39/97, at paragraph 23.

“In assessing the similarity of the goods all the relevant factors relating to those goods .. 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”.

37. I also take note that In *Kurt Hesse v OHIM*⁹, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific*¹⁰, the General Court described goods as “complementary” in circumstances where “... *there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking*”.
38. The relevant factors for assessing similarity identified by Jacob J. (as he then was) in the *Treat* case¹¹ were:
- a) The respective uses of the respective goods or services;
 - b) The respective users of the respective goods or services
 - c) The physical nature of the goods or acts of services;
 - d) The respective trade channels through which the goods or services reach the market;
 - e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

⁹ Case C-50/15 P

¹⁰ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

¹¹ [1996] R.P.C. 281

f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

39. Since Universal’s earlier marks are different and have different degrees of similarity to Sauce’s mark, it is necessary to make separate comparisons of the similarity of the goods and services under each of Universal’s marks.

Sauce’s registered services	Universal’s goods / services under its word mark “VERTIGO”
<p>Class 36: <i>Provision of serviced and managed offices; rental, leasing and management of commercial property, offices and office space.</i></p>	<p>Class 35: <i>arranging and conducting trade show exhibitions in the field of music and entertainment; arranging and conducting of fairs and exhibitions for business and advertising services, promoting and conducting trade shows in the field of music</i></p>

Universal submits that consumers who understand that Universal provides its services in Class 35 itemised in the table above “*may easily be led to believe the Class 36 services relating to the use of commercial property space, is a related and complementary service.*” I do not find that a compelling submission. I recognise that arranging a trade show, fair or exhibition may involve renting a commercial space and, too, that arrangements for such congregations may sometimes feature a designated area equipped with computers, phones, printing and photocopying so that attendees may conveniently access such resources if needed. However, I am doubtful that the identified services are complementary in the sense described in Boston Scientific, but even if there is an element of complementarity and potentially shared trade channels, **I find these respective services to be similar to a low degree at most**, since they are different in nature, purpose, method of use, have different users and the services are not generally in competition with one another.

Class 41: *Education and training services; arranging of seminars and conferences; delivery of seminars and conferences; all relating to technology, telecommunications, virtual reality technology and digital media.*

Class 35: *arranging and conducting trade show exhibitions in the field of music and entertainment;*

arranging and conducting of fairs and exhibitions for business and advertising purposes;

Class 9: *virtual reality game software; ... digital audio and audio video tapes and discs; downloadable music, mp3 files, graphics, computer games, images and videos; computer game software, for wireless communication devices;*

Class 35: *retail store services available through computer communications and interactive television featuring CDs, cassettes, DVDs, videocassettes and related licensed merchandise;*

Universal submits that its services in Class 35 of *arranging and conducting exhibitions* are “*evidently similar to the arranging and delivery of seminars and conferences. Even if the exhibitions are entertainment related, the act of providing the service of arranging a conference, finding a venue, speakers, facilities etc will be very much the same as for an exhibition.*”

I note that the precise comparison is between Universal’s Class 35 protection for “***arranging and conducting trade show exhibitions in the field of music and entertainment***” and Sauce’s protection in Class 41 for “***arranging and delivery of seminars and conferences all relating to technology, telecommunications, virtual reality technology and digital media***”. Although both parties include a caveat

to narrow their specified services, I find that despite the different explicit emphases there is anyway some common ground between Sauce's specification in relation to "*digital media*" and Universal's in relation to "*music and entertainment*" (and to some extent between Sauce's *virtual reality technology* and Universal's *entertainment*).

In comparing "*arranging and conducting trade show exhibitions*" and "*arranging and delivery of seminars and conferences*" I agree with Universal's submission that there is similarity between the activities underpinning those services. They both involve bringing people together to learn from others and to discuss common interests; they involve providing appropriate facilities and coordinating relevant content. There is therefore some shared nature, intended purpose and methods of use. The users may overlap and there may be an element of competition in that a user may choose between attendance at a particular conference or seminar or to attend instead a trade show exhibition. A trade show exhibition may include seminars as part of the event, so there is some complementarity too. **I find there is a degree of similarity between medium and high** for those services. I find the essence of my findings in this paragraph applicable too in respect of the Universal's services "*arranging and conducting of fairs and exhibitions for business and advertising purposes*". I also find that "business purposes" could naturally include businesses that specialise in sectors that directly overlap with the delineated sectors specified in Sauce's registrations ("*technology, telecommunications, virtual reality technology and digital media*").

Universal also refers to its having protection for certain goods in class 9 and related retail services in Class 35, which it submits "*further increases the link and complementarity between the terms*". I note that Universal has protection for goods that include virtual reality software and the above identified digital media goods for wireless communication devices (as well as retail services for a more limited range of digital media goods). I do not find that this advances the level of similarity I have already set out between the respective services in classes 41 and 35 - indeed those goods and retail services do not achieve that level of similarity. It does, though, substantiate a degree of crossover between the parties' interests in the fields of "*technology, telecommunications, virtual reality technology and digital media*" and "*music and entertainment*".

I have stated my findings in relation to *“arranging of seminars and conferences; delivery of seminars and conferences; all relating to technology, telecommunications, virtual reality technology and digital media”*, which I recognise are effectively a sub-set of Sauce’s wider terms *“education and training services”* in Class 41. However, I find those wider terms to be more distant from the specifications for *“arranging and conducting trade show exhibitions”* and *“fairs and exhibitions”*. The focus of an exhibition or fair tends to include a promotional purpose arising from the exhibitors that is less typically associated with *“education and training services”* (although university fairs would be an example of an exception to that suggestion); plus education and training services may be provided through various means (including on-line and self-directed formats) that are quite different from the seminars and conferences I have considered. Nonetheless, the specified *“trade show exhibitions”* and *“fairs and exhibitions”* clearly may include educational and training aspects and there is still therefore some similarity between the respective services based on their nature, purpose, users and even method of use. **I find Sauce’s Class 41 services “education and training services” and Universal’s Class 35 services “arranging and conducting trade show exhibitions in the field of music and entertainment” and “arranging and conducting of fairs and exhibitions for business and advertising purposes” to be similar to a degree that I pitch as between low and medium.**

Class 43: *Provision of facilities for meetings, conferences, seminars and exhibitions; rental of temporary accommodation.*

Class 35: *arranging and conducting fairs and exhibitions for business and advertising purposes; arranging and conducting trade show exhibitions in the field of music and entertainment*

Universal submits that because Sauce’s Class 43 services *“include explicit reference to facilities for exhibitions they must be seen as highly similar, directly related and complementary to”* Universal’s arranging and conducting exhibitions. It submits that a consumer engaging Universal to organise and conduct an exhibition will expect full

facilities for that exhibition to be provided. I agree that there is similarity between Universal's services in Class 35 identified above and Sauce's services in class 43 (especially as they relate to exhibitions). The services in both cases involve facilitating the organisational needs of bringing people together for discussions and interactions (whatever their sector or interests). Providing facilities and temporary accommodation will be part of the necessary arrangements and the services are complementary. There is also some commonality in nature, purpose, users and channels of trade. **I find that insofar as the respective services relate to exhibitions, there is a degree of similarity between medium and high, and for the other services a medium degree.**

Sauce's registered services	Universal's goods / services under its figurative mark (Device plus VERTIGO)
<p>Class 36: <i>Provision of serviced and managed offices; rental, leasing and management of commercial property, offices and office space.</i></p>	<p>Class 35: <i>business management; business administration; office functions;</i></p>
<p>Sauce's registration in Class 36 involve the leasehold and management of offices and providing serviced and managed offices. I find that these services are, as Universal submits, at least similar, complementary and related to Universal's class 35 services for business management and office functions. The services centrally involve facilitating the working environment of businesses - there is a clear complementarity and overlap in users, purpose and nature. There is an element of competition between the choice of sourcing office functions services separately from the premises, or paying for managed offices which combine premises with the necessary office support aspects. The respective services are similar to a degree between medium and high.</p>	
<p>Class 41: <i>Education and training services; arranging of seminars and conferences; delivery of seminars and</i></p>	<p>Class 41: <i>Education; providing of training;</i></p>

conferences; all relating to technology, telecommunications, virtual reality technology and digital media

Despite the limiting caveat that Sauce’s services in Class 41 all relate *to technology, telecommunications, virtual reality technology and digital media*, its specification of “**education and training services; arranging and delivery of seminars**” fall within the broad and unqualified terms “education; providing of training” and are therefore **identical** (as per *Gérard Meric*).

Sauce’s Class 41 services also include *arranging and delivery of conferences* (again focused on the same sectors). Since conferences involve bringing people together to hear speeches, lectures or discussions on defined topics or themes, they to that extent inherently involve educational and training aspects. I find that there is a **medium degree of similarity** between these respective services based on their nature, users and method of use. There may be an element of competition in that a user may choose between attendance at a particular conference or to attend instead some other form of education or training.

I note that Universal makes submissions as to similarity between the parties’ services arising from its own specification in Class 41 in respect of “organising exhibitions in the nature of music festivals” and “organising for entertainment purposes featuring music and arts.” I find such submissions neither advance nor match the level of similarity I have already found between the respective services in Class 41.

Class 43: *Provision of facilities for meetings, conferences, seminars and exhibitions; rental of temporary accommodation.*

Class 35: *Trade fairs*

Class 41: *Education; providing of training;*

Universal claims similarity between these respective services as it claims that a trade fair is defined as “an exhibition” at which businesses in a particular industry promote their products and services. Sauce responds in its submissions by stating that the VRTGO conference is not a trade fair, and seeks to make a distinction from the VRTGO conference by emphasising that a trade fair is linked to a “particular industry”. I emphasise that the actual current use by Sauce is not a relevant factor in the assessment before me and I simply compare the terms as registered. Sauce does not challenge the definition offered by Universal and I find that there is a close connection between the terms “trade fairs” and “exhibitions”. I find that services specified simply as “trade fairs” may reasonably include “**provision of facilities for exhibitions; rental of temporary accommodation**” and there is between those terms **at least a medium degree of similarity** based on complementarity, shared purpose and users and channels of trade. I also take account of the crossover between “trade fairs” and **provision of facilities for meetings, conferences, seminars**, but since those terms less closely match I find those services to be similar to a lower degree, which I pitch as **no more than medium**.

Universal submits that “a conference and a seminar will be seen as highly similar to [Universal’s] broad education services and therefore, the provision of facilities for such a conference or seminar, having educational or training themes, will be directly related and complementary to ‘education, training.’” I find there is a clear distinction between the “*provision of facilities for meetings, conferences, seminars*” and the core nature of the service of education and training. However, there is a degree of similarity based for example on complementarity and channels of trade (in that the training provider may also provide the facilities) and shared users, but I pitch the similarity as between **low and medium**.

The average consumer and the purchasing process

40. It is necessary to determine who is the average consumer for the respective goods and services and how the consumer is likely to select them. It must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question¹². In *Hearst Holdings Inc*,¹³ Birss J. described the average consumer in these terms:

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

41. I find that particularly for Universal's goods, the relevant average consumer will be members of the general public. The general public may also access the parties' services (particularly, for example, education and training), but many of the services will be of particular interest to businesses. Insofar as the relevant consumer is a member of public, I find that a **medium or average degree of attention** will be exercised when purchasing such goods. I find that the level of attention for the services will generally be higher than for the goods, because the services tend to be more costly than the goods and will require deliberation over the nature and content of what is offered to ensure they satisfy the consumer's particular needs (whether in terms of training or office facilities). I would pitch the level of attention for the services as **between medium and high**.
42. Since businesses tend to involve a more systematic decision-making process and a need to justify expenditure, I find that the level of attention would be a little higher than for the general public, but probably still at a level **between medium and high** for the services at issue.

¹² *Lloyd Schuhfabrik Meyer*, Case C-342/97

¹³ *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch),

43. Visual considerations will be particularly influential in the purchasing act because the goods of the type under Universal's marks are likely to be selected visually after perusal of racks/shelves in retail outlets, or from images on websites or in catalogues; the services specified by the parties will also be selected from browsing the internet or from printed and other visual publicity material. However, aural considerations may also play a part, such as on the basis of word of mouth recommendations, so the way the marks are said is also important.

Distinctive character of the earlier trade marks

44. The distinctive character of the earlier marks must be considered. The more distinctive an earlier mark, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel*). In *Lloyd Schuhfabrik*¹⁴ the CJEU stated that:

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

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

14 *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97

45. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. sitting as the Appointed Person¹⁵ pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

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

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

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

47. The Opponent’s word mark “VERTIGO” is not an invented word, so not the highest order of distinctiveness, but nor is it descriptive of the goods or services for which it is registered. It is also a relatively unusual and memorable word and I find that it has a degree of **inherent distinctiveness** that I would pitch as **between medium and high**.

48. Since Sauce’s mark involves no device, it is only the textual component (VERTIGO) of the figurative mark that is relevant and my findings on the distinctiveness of that word apply as above.

49. The level of inherent distinctiveness of a trade mark may be enhanced through use in the UK, but since the Opponent has in this case filed no evidence of use, there is no possibility of considering an enhanced level of distinctiveness in the perception of the UK consumer.

¹⁵ An Appointed Person is a senior lawyer, expert in intellectual property law, who hears appeals against decisions of the trade mark tribunal.

Conclusion as to likelihood of confusion

50. Deciding whether there is a likelihood of confusion is a matter of weighing up the combined effect of all relevant factors in accordance with the authorities I have set out in this decision. My findings have included that the word “VERTIGO” under the registrations relied on by Universal is inherently distinctive to a degree between medium and high and that at least a significant portion of the relevant average consumer will immediately perceive that word from the letters VRTGO, which form Sauce’s mark. (As Universal submits, VERTIGO is the only recognised English word containing that sequence of letters.) That being the case informs not only the perception of the concepts of the marks, but also how the average consumer may say the marks out loud. Although I have found only a low visual similarity in the **figurative mark**, I have found that judged overall that mark has a **medium degree of similarity** with Sauce’s mark and that Universal’s **word mark** has a **high degree of overall similarity** with Sauce’s mark.
51. The comparison of goods and services involved different findings according to the different specifications of the two earlier marks:
- I found that **Sauce’s services in Class 36** are similar to a low degree at most on the basis of the services in Class 35 under Universal’s word mark, but on the basis of the Class 35 services under Universal’s figurative mark I found the respective services to be similar to a degree between **medium and high**.
 - I found that **Sauce’s services in Class 41** are similar to services in Class 35 under Universal’s word mark, in some areas to a degree between **medium and high**, in other areas (education and training) to a degree between low and medium. However, on the basis of Class 41 services under Universal’s figurative mark I found the respective services to be similar to be **identical** (education and training) or similar to a **medium** degree.
 - I found that **Sauce’s services in Class 43** are similar to services in Class 35 under Universal’s word mark, to degrees ranging from **medium** to **between medium and high**. On the basis of Class 35 services under Universal’s figurative mark I found the

respective services to be similar in degrees ranging from **no more than medium** to **at least medium**.

52. As I make a global assessment of likelihood of confusion, I factor in my finding that in the selection and purchasing process the average consumer may pay a level of attention that is between medium and high, and that the purchasing process may primarily be visual. However, despite those factors when I take account of the principle that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services and vice versa, **I conclude that the differences between the trade marks are insufficient to preclude a likelihood of confusion, including the likelihood of association with the earlier trade mark creating a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings.** I find that the likely confusion would be indirect (i.e. a logical and consistent offering within the range of the goods and services of the owner of the earlier marks).

53. Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*,¹⁶ explained direct confusion and indirect confusion:

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

16 Case BL-O/375/10

54. Consequently, the application for a declaration of invalidity succeeds in relation to all of the services under Sauce’s registration and the registration is deemed never to have been made.

55. The outcome of this decision will understandably be frustrating for the registered proprietor, whose counterstatement referred to Sauce’s relatively modest resources and emphasised the particular way it used the mark, and branding aspects that include deployment of the year along with its mark and the use of colour to highlight parts of its mark. However, as I have said, I must compare the marks in the form that they appear on the register. (It should also be noted that since a trade mark is legal property, it may be transferred to another party with quite different business interests.) A mark may be used in relation to any goods or services that fall reasonably within the specified coverage. Noting another point made in the counterstatement, it is worth my stating that an absence of actual confusion despite side by side use is not necessarily evidence that marks are not sufficiently similar to give rise to a likelihood of confusion. In *Roger Maier and Another v ASOS*¹⁷, Kitchin L.J. stated that:

“80. ... The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.”

56. Parties should note that whereas my analysis has necessarily proceeded on the basis of Sauce’s mark as registered, I would also comment that I would not have found a likelihood of confusion had the subject mark been represented on the register in the form in which Sauce claims in its counterstatement to use its mark in reality.

¹⁷ As cited above.

OUTCOME

57. The application for a declaration of invalidity succeeds in relation to all services under Sauce's registration and consequently the whole of the registration is deemed never to have been made.

COSTS

58. The applicant has been successful and is entitled to a contribution towards its costs. I take account of the costs scale published in Tribunal Practice Notice 2/2016 and award the sum of £800 (eight hundred pounds) as a contribution towards the cost of these proceedings, calculated as follows:

Reimbursement of the official fee for Form TM26(I):	£200
Preparing a statement of grounds and considering the other side's counterstatement:	£200
Preparing submissions both during the evidence rounds in lieu of a hearing, commenting on the other side's submissions:	£400
Total:	£800

59. I therefore order Secret Sauce Limited to pay Universal International Music B.V. the sum of £800 (eight hundred pounds) to be paid within fourteen days of the expiry of the appeal period, or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of July 2018

Matthew Williams
For the Registrar,
the Comptroller-General