

O/437/18

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3186415

BY QUORA CONSULTING LIMITED

AND

OPPOSITION No. 408987

BY ORANGEBOX LIMITED

Background and pleadings

1. This is an opposition by Orangebox Limited (“the opponent”) to an application filed on 19th September 2016 (“the relevant date”) by Quora Consulting Limited (“the applicant”) to register the trade mark Smartworking Summit.

2. The contested trade mark covers:

“Class 42: Research (scientific-); Research relating to demographics;
Research in the field of climate change; Research in the field of energy;
Research in the reduction of carbon emissions.”

3. The trade mark was published for opposition purposes on 13th January 2017.

4. The opponent’s grounds of opposition are based partly on two earlier EU trade marks registered by it. These are:

Number	Mark	Classes	Date of entry in register
EU6410948 (“the 948 mark”)		16, 20 & 42	20 th July 2009
EU 15832264 (“the 264 mark”)	As above	35 & 41	13 th January 2017 (filing date 15 th September 2016)

5. The 948 mark is registered in relation to, inter alia, furniture and design of furniture. The 264 mark covers, inter alia, in class 35, market research and analysis, business strategy services and associated advisory services. In class 41 it covers educational services as well as arranging and conducting conferences and seminars. The opponent claims that (a) these goods/services are similar to those covered by the contested mark, (b) that the marks are similar, and (c) there is a likelihood of confusion on the part of the public, including the likelihood of association.

6. The opponent also claims that the earlier marks have acquired a reputation in relation to the goods/services for which they are registered. According to the opponent, use of the contested mark would, without due cause, take unfair advantage of, and/or be detrimental to, the reputation or distinctive character of the marks.

7. Further, the opponent claims that it has used the earlier marks in relation to the goods and services for which they are registered since 2007 and thereby acquired a protectable goodwill under those marks. According to the opponent, the applicant's use of the contested mark would mislead the public into believing that the parties are connected in trade, which would amount to a misrepresentation causing damage to the opponent's goodwill.

8. The opponent therefore claims that registration of the contested mark would be contrary to sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

9. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of use of the 948 mark.¹

10. Both sides seek an award of costs.

Representation

11. The applicant is represented by Wilson Gunn. The opponent is represented by Pitmans IP. A hearing took place on 4th July 2018 at which Ms Charlotte Blythe appeared as counsel for the opponent. Mr Terry Rundle of Wilson Gunn appeared on behalf of the applicant.

¹ The 264 mark is too "young" to be subject to the proof of use provisions in s.6A of the Trade Marks Act 1994.

The evidence

12. The opponent's evidence consists of two witness statements by its Finance Director, Mr Remo Vernaschi, and one by its Creative Director, Mr Gerard Taylor. Mr Vernaschi's second statement, and the statement of Mr Taylor, were filed in reply to the applicant's evidence. This consists of a witness statement by its Managing Director, Mr John Blackwell, and one by its trade mark attorney, Mr Rundle. I have read all the evidence.

The inherent meaning of 'smartworking'

13. Before I examine the grounds of opposition, I find it convenient to start by examining the natural meaning of the term 'smartworking.' This term is plainly composed of the well-known dictionary words 'smart' and 'working'. According to the Collins and Oxford English Dictionaries, the word 'smart' can be used as an adjective meaning 'clever'.² It can be applied to things as well as people, e.g. smartwatch. The meaning of 'working' is obvious. It therefore appears that 'smartworking' can be understood to mean 'clever working' or 'working smarter'. In this connection, I note that in his witness statement Mr Blackwell explains that he first encountered the opponent in 2013 when "...we were retained by the main board of Jaguar Land Rover to advise on helping them work smarter and more productively."

14. Mr Rundle's evidence on behalf of the applicant consists of the results of some internet searches on 'smartworking' he conducted on the Google search engine in February 2018. The following results shed some light on the meaning of the word.

- A 'hit' entitled 'Phoebus G Consulting – Smartworking. So what does it stand for?' stated "*Smartworking is about taking a comprehensive approach to modernising working practices. A new approach to the way we work and how workplaces are organised is emerging.*"

² It is appropriate for a decision maker to use dictionary references to confirm his or her own understanding of the meaning of words, even where those references are not in evidence: see *Forex*, Mr Geoffrey Hobbs QC as the Appointed Person, BL O/100/09, at paragraph 16.

- A hit entitled ‘Smartworking Demo – Office Portfolio LTD’ stated “*This week we have set up a demonstration area to show one of our clients furniture that can be incorporated into a Smart-Working strategy.*”
- A hit entitled ‘Why Recruiters Should be Open to Smartworking as a Way of Working’, dated 14th October 2015, stated “*The working world is changing, with more individuals wanting a more flexible approach to the daily grind. That’s where smartworking comes in. We’ve had a look at why it’s time for recruiters to embrace this modern way of working.*”
- A hit entitled ‘SmartWorking Case Study – public sector NOMADS’ stated “*In 2008 the London Borough of Hammersmith & Fulham embarked on a Smart Working programme to roll out new ways of flexible and mobile working. The aim was to deliver a host of benefits including increased productivity, improved service delivery, accommodation savings and benefits to staff.*”

15. It is true that some of these uses postdate the relevant date. However, the use of word ‘smart’ to mean ‘clever’ is plainly not new. This is illustrated by the use of ‘smartworking’ in a couple of the Google ‘hits’ which predate, or refer to periods prior to, the relevant date. I therefore find that at the relevant date, and in a relevant context, ‘smartworking’ would have been naturally understood by consumers as meaning ‘working smarter’ in the sense used in Mr Blackwell’s statement.

The section 5(2)(b) ground of opposition

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

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

17. At the hearing, Ms Blythe focused on the earlier 264 mark. I will do the same.

Similarity of services

18. Ms Blythe sensibly and correctly focused on the similarity of the services set out in the table below. The 264 mark is not subject to proof of use. This means that the opponent does not need to show that it has used its mark in relation to these services to be able to rely on them in this opposition.

Contested Services	Earlier services relied upon
Class 42: Research (scientific-); Research relating to demographics; Research in the field of climate change; Research in the field of energy; Research in the reduction of carbon emissions	Class 35: Market research and analysis; business strategy services; consultancy, advisory and information services relating to the foregoing Class 41: Educational services; training services; arranging, conducting and organisation of seminars; arranging and conducting workshops; arranging of presentations for training purposes; arranging and conducting of conferences; education services relating to business training; health and wellness education, teaching and training; consultancy, advisory and information services relating to the foregoing

19. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*³ the court stated that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

20. In *Kurt Hesse v OHIM*⁴ 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 Ltd v OHIM*,⁵ the General Court stated that “complementary” means:

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

21. I will first consider the similarity between, on the one hand, *market research and analysis* and, on the other hand, the various scientific research services covered by the contested mark. I note that in *Altecnic Ltd’s Trade Mark Application*⁶ the Court of Appeal confirmed that it is permissible to take account of the class number specified by the applicant when assessing the meaning of the descriptions of goods/services included in specifications. The class heading for class 35 is:

“Advertising; business management; business administration; office functions.”

³ Case C-39/97, at paragraph 23 of the judgment

⁴ Case C-50/15 P

⁵ Case T-325/06

⁶ [2002] RPC 34

The Explanatory Note from the 11th Edition of the NICE class system states that:

“Class 35 includes mainly services rendered by persons or organizations principally with the object of:

1. help in the working or management of a commercial undertaking, or
 2. help in the management of the business affairs or commercial functions of an industrial or commercial enterprise,
- as well as services rendered by advertising establishments primarily undertaking communications to the public, declarations or announcements by all means of diffusion and concerning all kinds of goods or services.”

22. Thus the purpose of *market research and analysis* in class 35 is to help in the working or management of a commercial undertaking, i.e. improving the performance of the business.

23. The class heading for class 42 is:

“Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.”

24. The Explanatory Note for this class states that:

“Class 42 includes mainly services provided by persons, individually or collectively, in relation to the theoretical and practical aspects of complex fields of activities; such services are provided by members of professions such as chemists, physicists, engineers, computer programmers, etc.

This Class includes, in particular:

-the services of engineers and scientists who undertake evaluations, estimates, research and reports in the scientific and technological fields (including technological consultancy);

- computer and technology services for securing computer data and personal and financial information and for the detection of unauthorized access to data and information;
- scientific research services for medical purposes.

This Class does not include, in particular:

- business research and evaluations (Cl. 35);”

25. Thus the scientific research services which fall in class 42 are technical research services provided by relevant professionals, and not *business research and evaluations*. I will approach these descriptions of services accordingly. This appears consistent with *Avnet Incorporated v Isoact Limited*,⁷ where Jacob J. (as he then was) stated that:

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

26. Approaching the matter this way, I find that although *market research and analysis* in class 35 and *scientific research* in class 42, including research into demographics, climate change, energy and reduction of carbon emissions, both involve research, the nature and purpose of the research is different. Ms Blythe submitted that the users of such services could be the same and that one undertaking could provide both kinds of research services. To illustrate this point, she submitted that “*scientific research*” could cover research into how chairs affect the human body, which she suggested could be related market research in the furniture field. There is no evidence of any such connection. And on the face of it, the argument appears to me to be somewhat contrived to find some similarity between the services. In my view, the respective services would normally be provided by different types of undertakings to mainly different users. It follows that the services are not in competition and they are not complementary. Admittedly, the method of

⁷ [1998] F.S.R. 16

use of the services is likely to be similar, i.e. the results will be presented in reports. However, the overall level of similarity of services is low.

27. To the extent that it relies on the registration of the 264 mark in relation to *business strategy services; consultancy, advisory and information services relating to the foregoing*, the opponent is in no better position. This is because these services are no more similar (and are arguably less similar) to the services covered by the contested mark.

28. Turning to the services for which the 264 mark is registered in class 41, particularly *arranging, conducting and organisation of seminars; arranging and conducting workshops; arranging and conducting of conferences*, Ms Blythe submitted (correctly) that these could be seminars/workshops/conferences on scientific subjects, including demographics, climate change, energy and reduction of carbon emissions.

29. Research is different in nature to arranging seminars etc. The purpose of research is to analyse, discover and present relevant facts and information, whereas the purpose of seminars etc. is to bring people together to impart information to them and to provide a forum for debate. Consequently, although there is some similarity of purposes, the respective purposes are more different than they are similar. The method of use of research and seminars etc. is different. Research is usually presented in written documents whereas seminars etc. are usually participative face-to-face events. There is no evidence that the services are in competition. However, it seems likely that scientific research could form part of the subject matter covered by seminars etc. on a particular subject, e.g. climate change. It cannot therefore be ruled out that seminars are important for the use of scientific research. Further, the public could expect a scientific seminar etc. to be arranged by a provider of related scientific research. Indeed, it appears that the applicant arranges events to discuss subjects covered by its own research. I therefore find that the services are complementary to a certain degree.

30. The opponent is in no better position to the extent that it relies on the registration of the 264 mark in relation to other services in class 41. Although this point was not specifically pressed at the hearing, I am aware that there is some connection between education and scientific research in that some universities are well known for both. Again, the nature and purpose of the services are different. They are not in competition. And education and research services are funded separately and by normally by different users. However, scientific research may subsequently play a part in the provision of education services, so it might be said that there is a certain degree of complementarity between them.

31. Overall, I find that there is a low degree of similarity between the respective services in classes 41 and 42.

The average consumer and the means of selecting the services

32. Ms Blythe submitted that the relevant average consumer could be a commercial business or a member of the general public. In her view, such a consumer would pay no more than an average degree of attention when selecting the services. I find that so far as it is relevant, i.e. where the users of the respective services may overlap, the average consumer is likely to be a person or business with an interest in scientific research. Such a user is likely to pay particular interest to the source of the information and/or events offered or provided to him or her during trade. I therefore find that the average consumer is likely to pay an above average degree of attention when selecting the services at issue.

33. The services are likely to be promoted through visual media, such as websites, but word of mouth recommendations may also play some part in the selection process.

The distinctive character of the 264 mark

34. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁸ the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

35. Ms Blythe submitted that the stylisation of the earlier mark was minimal and it was to be considered as essentially the word ‘smartworking’. I agree.

36. According to the opponent, ‘smartworking’ is an unusual combination of two everyday words with no descriptive significance in relation to market research and analysis, advisory services or educational services. The applicant disputes this. Mr Rundle submitted that ‘smartworking’ is a descriptive term for a new model of working that uses technology to improve job performance and job satisfaction.

⁸ Case C-342/97

37. For the reasons given in paragraph 15 above, I accept Mr Rundle's submission on this point. Further, I find that when used in relation to market research and analysis, advisory services, seminars and wider educational services, 'smartworking' would naturally have been understood (at the relevant date) as designating the intended purpose of the services, i.e. to inform the development of, and/or help businesses to apply, methods and tools for working smarter. This means that 264 mark has little inherent distinctiveness in relation to the services

38. The opponent claims that the mark had acquired more distinctive character because of the opponent's use of it in relation to market research and analysis services and associated education/advisory services in the field of *"the changing nature of the workplace and workforce."* In this connection, the opponent relies on the evidence of Mr Vernaschi. He says that the opponent *"has been conducting ongoing research both in relation to its innovative products and the changing nature of the workplace and the need to businesses to adapt."* According to Mr Vernaschi, the opponent has *"published highly regarded reports in relation to the need to adapt due to a changing technology and workforce."* He cites five examples and provides extracts from the reports.⁹ The first report is entitled 'The Office Wars'. It appears to date from 2012. I cannot find any use of the 264 mark in this document. The second document is entitled 'Boomers and Millennials'. It appears to have been provided as a work of Pitmans. However, on the final page of the report under names and addresses, the words Orangebox Smartworking appear in small letters. The third document is entitled 'The Orangebox Book of Products' from 2014. It does not appear to be a research document at all, but rather a guide to one of the opponent's product ranges. The fourth document is entitled 'Mobile Generations' from 2015. Again, I cannot find any use of 'smartworking' in the document. The fifth document is entitled 'Orangebox Smartworking'. It is not clear when this document was produced. Mr Vernaschi does not date any of the documents. Mr Taylor dates some of them, but not this one. In any event, although it refers to research, it appears to be a brochure promoting the opponent's furniture by reference to that research rather than a research document as such. This is consistent with Mr Vernaschi's second

⁹ See exhibit GV 5 to Vernaschi 1

statement in which he refers to the use of Smartworking as a strategic tool to sell the opponent's furniture.¹⁰ It is also consistent with information provided from the opponent's website about its approach to research.¹¹ The page entitled 'Research and Insight' states that "*Research and insight is the beating heart of our product development process*"¹² (emphasis added). In other words, the opponent's research appears to be part of its own R & D, which is sometimes used to sell particular types of office furniture.

39. Consistent with this analysis, there is no evidence that any of the research described above was ever offered for sale as such. By contrast, Mr Taylor says that in 2018 the opponent published a book called 'That's Not a Stick that a Log', which he says was published as an independent research document. However, this was well after the relevant date. Further, there is no evidence that 'smartworking' was used as a trade mark (or at all) in relation that product either. I acknowledge that Mr Vernaschi also says the opponent conducts regular seminars at its London office in relation to the changing nature of the workplace. However, without any further information about these seminars, particularly going to whether any use made of SMARTWORKING was more than simply descriptive use, I can attach no weight to this evidence.

40. Taking the above into account, I have no hesitation in concluding that the opponent has not shown any use of the 264 mark prior to the relevant date which created a market for market research and analysis services. It follows that there is no evidence of use of the mark in a manner, and on a scale, that would have enhanced the mark's inherent distinctive character in relation to market research services.

41. It is not open to me to find that the earlier mark has no distinctive character in relation to market research and analysis, advisory services or educational services.¹³ I will therefore proceed on the basis that the 264 mark has a low degree of distinctiveness in relation these services.

¹⁰ See paragraph 7 of Vernaschi 2

¹¹ See exhibit GV 6 to Vernaschi 1

¹² See page 211 of the opponent's evidence

¹³ *Formula One Licensing BV v OHIM*, Case C-196/11P, CJEU, paragraph 41

The similarity of the marks

42. The CJEU stated in *Bimbo SA v OHIM*¹⁴ that:

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

It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take account of the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them.

The respective trade marks are shown below:

smartworking	Smartworking Summit
Earlier trade mark	Contested trade mark

43. Ms Blythe submitted that as ‘summit’ is descriptive of seminars relating to scientific research, the distinctive and dominant element of the contested mark must be the word SMARTWORKING, which is virtually identical to the 264 mark. Additionally, Ms Blythe pointed out that the word SMARTWORKING appeared at the beginning of the contested mark. She reminded me of the general rule that the beginnings of marks usually make more impact on consumers than the ends.

44. Mr Rundle accepted that the common word SMARTWORKING meant that the respective marks were visually and aurally similar, and he also accepted that there was a “*somewhat low*” degree of conceptual similarity.

¹⁴ At paragraph 34 of its judgment, Case C-591/12P

45. I cannot rule out that *research relating to demographics* could be used to inform other kinds of research. In this connection, I note that the applicant's evidence indicates that it undertakes research into "*the changing nature of work*", which could mean 'smartworking'. However, part of the opponent's s.5(3) case (considered below) is that the applicant has applied to register the contested mark in relation to services which are different to those that it actually provides. In this connection, Mr Rundle informed me at the hearing that the applicant filed the trade mark application itself, i.e. before Mr Rundle's firm was instructed to act in these proceedings. It therefore chose the specification of services without legal advice. This lends some credibility to the opponent's claim. Further, even if there is an indirect connection between *research relating to demographics* and the development of methods for working smarter, it is not easy to see how 'smartworking' could be immediately understood as describing other kinds of scientific research, e.g. research into climate change.

46. I will therefore approach the matter, firstly, on the footing that average consumers will not understand 'smartworking' as describing any of the scientific research services covered by the application. Secondly, I will examine the position on the alternative footing that the word SMARTWORKING could be recognised as descriptive to a certain degree of one kind of the scientific research services covered by the contested mark, i.e. *research relating to demographics*.

47. The contested mark does not cover arranging of seminars, conferences or similar services. Therefore, SUMMIT cannot be regarded as descriptive of the services covered by the contested mark on the basis that it describes services for gathering people together to discuss a particular topic. At most, the word SUMMIT appears vaguely laudatory in relation to scientific research, i.e. as in 'peak' or 'crest'.

48. Considering the matter on the footing that neither SMARTWORKING nor SUMMIT will be immediately understood as descriptions of any of the scientific research services covered by the application, I see no justification for concluding that SMARTWORKING is the dominant and distinctive element of the earlier mark. Looked at this way, it is difficult to identify any obvious meaning that the words may

convey as a composite 'unit'.¹⁵ Nevertheless, I find that both words contribute to the distinctive character of the contested mark. Admittedly, because SMARTWORKING appears first and is longer than SUMMIT, it will make a little more visual and aural impact on consumers than SUMMIT. Approaching the contested mark this way, I find that there is a medium degree of visual and aural similarity between the marks. The meaning of SMARTWORKING (i.e. working smarter) is the same in both marks. However, the meaning of 'summit' is absent from the 264 mark. I therefore find that there is a medium degree of conceptual similarity (and therefore a medium degree of difference) between the marks.

49. Considering the matter on the alternative footing that SMARTWORKING will be understood by average consumers as related to a certain degree to *research relating to demographics*, I find that this will reduce the distinctive impact of that word in the contested mark in relation to those services. The contested mark would then rely more on the word SUMMIT for its distinctive character. Looked at this way, any distinctive similarity between the marks would be, at most, low.

Likelihood of confusion

50. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

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

¹⁵ To use the language from the CJEU's judgment in *Bimbo*, Case C-591/12P, where it was used to describe a composite mark where two (or more) words combine to create a meaning which is different to the meaning of the words separately.

(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) 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;

(g) 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;

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

(i) 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;

(j) 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.

51. Given the relatively low degree of similarity between the respective registered and applied-for services, and the above average degree of attention likely to be paid by consumers of scientific research services, I do not find it likely that average consumers will directly confuse SMARTWORKING SUMMIT with the 264 mark. The highpoint of the opponent's case appears to me to be that the common word - SMARTWORKING - will cause average consumers to believe that the various scientific research services offered under the contested mark are connected with the user of the 264 mark. In *L.A. Sugar Limited v By Back Beat Inc.*¹⁶, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

52. In *Duebros Limited v Heirler Cenovis GmbH*,¹⁷ Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion. The difficulty with the opponent's case of

¹⁶ Case BL O/375/10

¹⁷ BL O/547/17

indirect confusion is that ‘smartworking’ has only a low degree of distinctive character in relation to the services on which it relies in classes 35 and 41. This makes it unlikely that average consumers will believe the mere appearance of this word in another mark used in relation to different (albeit somewhat similar) services will indicate that both marks are being used by one and the same undertaking. The likelihood of indirect confusion on this basis is even lower if ‘smartworking’ is seen as descriptive of any of the scientific research services covered by the contested mark. For as Arnold J. stated in *Whyte and MacKay*:¹⁸

“...what can be said with confidence is 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.”

53. One possible answer to this point is that the difference between the marks – the word SUMMIT - is itself merely descriptive of the applicant’s services. I do not accept this for the reasons given in paragraph 47 above. It is true that the word SUMMIT may be descriptive of some of the opponent’s services in class 41, e.g. arranging conferences. However, as the word SUMMIT is part of the applicant’s mark, which has been applied for in relation to various scientific research services (not arranging conferences etc.), the potential descriptiveness of ‘summit’ in relation to conferences etc. is no reason for consumers to assume that the contested mark designates ‘summits’ arranged by the applicant in relation to the opponent’s research services.

54. In any event, the potential descriptiveness of SUMMIT, even if relevant, does not mean that the lack of distinctiveness of ‘smartworking’ in relation to the services on which the opponent relies ceases to be an important factor, particularly in the evaluation of the likelihood of indirect confusion between the marks.¹⁹

55. I conclude that there is no likelihood of direct or indirect confusion. The opposition under s.5(2)(b) based on the 264 mark therefore fails.

¹⁸ [2015] EWHC 1271 (Ch)

¹⁹ See, for example, the judgment of Birss J. in *Nicoventures Holdings Limited v The London Vape Company Ltd* [2017] EWHC 3393 (Ch) at paragraph 32.

The section 5(3) ground of opposition

56. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

The 264 mark

57. I have already given my reasons for concluding that the opponent has not even established genuine use of the 264 mark in relation to the services for which it is registered, let alone a reputation. There is no need to repeat those reasons. I find that the 264 mark did not have a qualifying relevant reputation in the EU at the relevant date.

Proof of use of the 948 mark

58. The 948 mark is subject to proof of use under s.6A of the Act. However, as (a) the opponent also needs to establish that the mark has a reputation for the goods and services covered by this mark to justify the s.5(3) ground of opposition, and (b) a finding that the mark has a qualifying reputation in the EU would (at least on the facts of this case) necessarily mean that there has been genuine use of the mark, there is no point in considering proof of use as a self-standing issue.

59. The opponent relies on the reputation of the 948 mark in relation to the following goods/services in classes 20 and 42.

Class 20: Furniture; office furniture.

Class 42: Design of furniture and office furniture; design of layouts for office furniture.

60. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public who are consumers of the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

Reputation

61. Mr Vernaschi states that the *"Smartworking brand has been used extensively in the EU including the UK to promote itself as an innovative and leading designer, manufacturer and seller of office furniture and office design and layout services."* According to Mr Vernaschi, *"The mark is also used to promote it [sic] philosophy of the agile way of working which related to the impact of the new technologies and the new workforce on the office environment described by the opponent as the "Third Space" that it predicted."*

62. Mr Vernaschi's evidence is that since the launch of the SMARTWORKING brand in 2007, the opponent has spent "*considerable time and money*" promoting the brand. No specific sums are provided, but the opponent points out that its 'Book of Products' cost £100k to produce. An example of this product is in evidence.²⁰ I can find only one instance of use of 'Smart working' in this document, on a page towards the end of the document above the strapline "*creating great collaborative workspace.*" In this instance, the words appear (as SMART WORKING, with SMART above WORKING) next to a picture of furniture arranged in an open plan workspace.²¹ However, Mr Vernaschi claims that SMARTWORKING has been widely used in advertising, including digital advertising and printed materials, brochures, books about specific product promotion, in relation to design services, "*and to promote to customers the concept of the agile office workspace.*" He provides examples covering 106 pages.²² I note that:

- The evidence is not dated by Mr Vernaschi, nor is it self-dated;
- The use of SMART WORKING (one word above the other, as above) is usually associated with the strapline "*creating great collaborative workspace*";
- The word is sometimes used accompanied by the small letters 'tm' or the 'registered' symbol;
- The mark is usually used with other marks, notably Orangebox;
- The mark does not appear to be used in relation to a specific product, some of which carry other marks, e.g. TWENT4 for collaborative worktables;
- The nature of the use is consistent with the mark being used "*to promote to customers the concept of the agile office workspace.*"

63. The last point, and the connection between 'smartworking' as a model of working and furniture design, is clearly illustrated by the opponent's use of the mark. See, for example, the uses of Smartworking on pages 56, 60 and 196 of the opponent's evidence in chief. The last of these states:

²⁰ See exhibit GV 5 to Vernaschi 1

²¹ See exhibit GV 5 page 165 of the evidence

²² See exhibit GV 2

“Smartworking™ furniture layouts support and encourage our new sense of community and well being. They enable our office spaces to be active, allowing us more movement, flexibility and productivity.”

64. Mr Vernaschi provides the opponent’s turnover figures for 2007 to 2016. These are substantial, between £20m and £56m per annum. However, he says that the company trades extensively in the EU, as well as the US, Far East and Middle East. It is not therefore clear how much of this trade was apparent to UK or EU consumers of furniture or furniture design services.²³ Additionally, although Mr Vernaschi claims that ‘smartworking’ is used to promote the opponent’s *“philosophy in relation to the changing nature of the workplace”*, it is not claimed that the mark is used as a trade mark in relation to all the opponent’s products. For example, Mr Vernaschi states in his second witness statement that, partly because of a recommendation from (the applicant’s) Mr Blackwell, Jaguar Land Rover bought around £3.5m worth of Orangebox “pods” (soundproof glass meeting rooms) from the opponent between 2011 and 2016. However, Mr Vernaschi does not claim that these goods were branded with the 948 mark. And Mr Blackwell’s evidence is that there was no sign of the opponent using ‘smartworking’ during his involvement with this contract. It is not therefore appropriate to infer that the global turnover figures provided by the opponent represent only the value of its sales of goods (or services) under the earlier 948 mark.

65. There is one example of an invoice in evidence.²⁴ The word ‘orangebox’ appears prominently at the top of the invoice. The words ‘Orangebox Smartworking’ appear in small letters at the foot of the invoice next to one of three addresses (the others being the addresses for the opponent’s Head and Northern offices). The invoice is for a *“miscellaneous sale”* of one item to a Danish company at a cost of £8400, i.e. the goods are not identified. The invoice is dated 13th September 2017, i.e. well after the relevant date. Such evidence is manifestly of little or no weight in establishing that the 948 mark had a reputation in the EU for furniture at the relevant date.

²³ The UK consumer being the relevant consumer for the purposes of the use of the applicant’s mark will take unfair advantage of, or be detrimental to, the reputation and distinctive character of the earlier 948 mark

²⁴ See GV 3 to Vernaschi 1

66. There are also pictures of the brickwork at the entrance to the opponent's London office in evidence. These show signs comprising the words 'orangebox' and (this time in much larger letters) SMART and WORKING (the first word above the second).²⁵ Mr Vernaschi says that all visitors to the opponent's London office see these signs. However, once again he does not say whether the signs existed at the relevant date. Further, there is nothing to indicate that they were used in relation to any particular goods or services.

67. Mr Vernaschi claims that the opponent's personnel regularly attend conferences to promote the SMARTWORKING brand and concept. However, it is not clear which conferences were attended, or where, or when, or how the earlier marks were promoted.

68. According to Mr Vernaschi, third parties recognise the opponent's rights in SMARTWORKING and the opponent has acted to protect such rights. In support of this claim he provided a copy of a co-existence agreement dated 28th October 2013 between the opponent and a competitor in the furniture sector called Ahrend Inrichten B.V. ("Ahrend"), which is based in the Netherlands.²⁶ According to the agreement, Ahrend had been using the term Smart Working *"to describe characteristics of its office furniture, design of furniture.... and design of layouts for office furniture."* The opponent considered that this infringed its rights under the 948 mark. Ahrend agreed (a) not to use the words as an individual or collective product name, (b) to remove all references to the words with capital letters from its website and publications, (c) not to use the words as metatags or keywords, and (d) not to challenge the opponent's mark or corresponding domain name. In return the opponent consented to Ahrend's use of smart working *"or any other descriptive indication"* i.e. it consented to Ahrend's use of the words, or equivalent words, for purely descriptive purposes. This confirms my impression that 'smartworking' is more likely to be understood as describing the intended purpose of office furniture and related design services than designating a specific trade source for such goods.

²⁵ See GV 5 to Vernaschi 1

²⁶ See GV 06 to Vernaschi 2

69. My overall conclusions are that:

- The evidence does not establish the extent to which the 948 mark (or acceptable variants of it) was used prior to the relevant date (or at all) in relation to the goods/services for which it is claimed to have a reputation;
- The use that is evident is more likely to have conveyed a descriptive impression than a distinctive (i.e. trade mark) impression;
- The 948 mark did not have a relevant reputation amongst a significant proportion of relevant consumers for the goods/services specified at paragraph 59 above at the relevant date.

70. It follows that the s.5(3) ground of opposition must fail. However, in case I am wrong about this, I will also briefly examine the claims of unfair advantage/detriment. To do so I must assume, contrary to my primary finding, that the 948 mark had a qualifying reputation in the EU at the relevant date. I will make the further assumption that the public concerned with the services covered by the contested mark would have made the required mental 'link' with the 948 mark.

Unfair advantage/detriment - the pleaded case

71. Ms Blythe submitted that use of the contested mark would, without due cause, take unfair advantage of the reputation of the earlier mark. In particular, it would lead to a transfer of the opponent's image of being environmentally friendly and innovative. Additionally, or alternatively, Mr Blythe submitted that the use of the contested mark in relation to the services applied for could tarnish the opponent's reputation, e.g. if the services did not live up to the opponent's reputation. Additionally, or alternatively, Ms Blythe further submitted that use of the contested mark could dilute the distinctive character of the 948 mark. In this connection, Ms Blythe pointed out that a likelihood of confusion between the 948 mark and the contested mark would necessarily carry an inherent risk of detriment to the distinctive character and reputation of the earlier mark.

72. The third question in the s.5(3) section of the Notice of Opposition asked the opponent whether the ground of opposition was based on an allegation that the similarity between the marks would cause the public to believe that the marks are used by the same or connected undertakings, i.e. there is a likelihood of confusion. In response to this question the opponent stated:

“The Opposed mark is Smartworking Summit. The earlier mark is SMARTWORKING. As such the respective marks are highly similar. The dominant element of the Applicant's mark is "Smartworking" and is identical to the Opponent's mark.

In addition to supplying office furniture the opponent also conducts research and provides services to its clients in relation to the changing nature of the office work place and how to adapt to new ways of using office furniture and provides advice in relation to the design of the layout of office furniture. The opponent arranges conferences, conducts seminars, workshops and provides consultancy services relating to the need to adapt to the changing office workplace. The opponent has developed a reputation in the market place for advising on innovative ways to use and exploit the office environment more productively. The relevant marketplace and the relevant public for both marks is the same and there is a likelihood that the relevant public may believe that that there is an economic connection between the users of the trade marks.”

73. This clearly indicated that the opponent's case was based, at least in part, on a claim that the use of the contested mark would lead to an erroneous belief on the part of the public that the users of that mark and the earlier marks are connected. The opponent's pleadings say nothing specifically about detriment or tarnishment of the reputation or distinctive character of the earlier marks. Nevertheless, I accept Ms Blythe's submission that a likelihood of confusion creates an inherent risk of detriment to the distinctive character of the earlier mark, and of damage to any reputation associated with that mark. I therefore accept that the dilution and tarnishment allegations are within the scope of the pleaded case. However, having already rejected the opponent's claim that there is a likelihood of confusion under s.5(2)(b), I am bound to come to the same conclusion when considering essentially

the same question again under s.5(3). For this reason, I would have rejected the detriment aspect of the s.5(3) ground, even if I had found that (a) the 948 mark had a qualifying reputation, and (b) use of the contested mark would cause consumers who know of that reputation to call it to mind.

74. Turning to the claim of unfair advantage, to the extent that it is based on a likelihood of confusion, I would have rejected it for the same reasons given in the preceding paragraph. The opponent's answer to the fourth question in the s.5(3) section of the Notice of Opposition indicated that was another ground for the unfair advantage claim. The question asked the opponent:

"Is there any other basis for your claim of unfair advantage? If so, please explain what the advantage would be to the holder of the later mark, and why it is unfair."

75. The opponent answered:

"The applicant's current specifications in its application are not reflective of the services that it provides. The applicant provides highly similar services to the opponent in relation to conferences, seminars and arranging of regular 'smartworking summits' in relation to the changing office environment. The registration of the later mark will result in the applicant using the later mark to market its Smartworking summits, which will be unfair to the opponent given its established reputation and the earlier registered mark."

76. This is plainly not an advantage that could arise from the use of the mark in relation to the various scientific research services applied for. Rather, it is claimed to be the likely consequence of the use of the mark in relation to other services, not covered by the application. Consequently, this part of the opponent's case is manifestly irrelevant and inadmissible.

77. It follows that even if I had I accepted that the 948 mark had a qualifying reputation, the s.5(3) case would have failed for other reasons.

78. That being the case it is unnecessary to consider whether the applicant had “due cause” to use the contested mark.

The passing-off right ground

79. In *Discount Outlet v Feel Good UK*,²⁷ Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

80. Having rejected the opponent’s claims under s.5(2)(b) and s.5(3), that use of the contested mark will create a likelihood of direct or indirect confusion (even if the goods/services are dissimilar in the case of the s.5(3) claim), it is not obvious to me how the s.5(4)(a) case can succeed. When I asked Ms Blythe about this at the hearing, she suggested that the opponent’s s.5(4)(a) case might be broader because its reputation went wider than the specifications of the earlier registered marks. However, as I pointed out at the hearing, the Notice of Opposition claims goodwill and reputation only in relation to the goods/services for which the earlier marks are registered. Consequently, the claimed goodwill cannot be any wider in scope.

²⁷ [2017] EWHC 1400 IPEC

81. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation*,²⁸ Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. He concluded:

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

Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*.²⁹ It is true that in *Marks and Spencer PLC v Interflora*,³⁰ Lewison L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later clarification in *Comic Enterprises* about the level and nature of confusion required for trade mark infringement, it now seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. Indeed, as a likelihood of deception may sometimes require more than mere confusion (in the sense that the deception must be likely to cause real damage to the claimant’s goodwill), it is more likely that a court or tribunal will find that there is a likelihood of confusion, but no passing off, than vice versa. Opponents should therefore consider carefully whether there is anything to be gained from simply repeating essentially the same claims under s.5(2) and s.5(3) again under s.5(4)(a).

82. I find that the opponent’s case under s.5(4)(a) adds nothing to its case under the other sections of the Act. I reject the claim because the opponent has not shown that (a) ‘smartworking’ was distinctive of its business at the relevant date, or (b) that use of the contested mark in relation to the services applied for would have constituted a misrepresentation to the public. The question of damage does not therefore arise.

²⁸ [2016] EWCA Civ 41

²⁹ [2017] EWHC 496 (Ch)

³⁰ [2012] EWCA (Civ) 1501

Overall outcome

83. The opposition is rejected.

Costs

84. As the opposition has failed, the applicant is entitled to a contribution towards its costs. I assess this as follows.

£250 for considering the Notice of Opposition and filing a counterstatement;
£1500 for considering the opponent's evidence and filing evidence in response;
£750 for attending a hearing and filing a skeleton argument.

85. I therefore order Orangebox Limited to pay Quora Consulting Limited the sum of £2500. This to be paid within 21 days of the end of the period allowed for appeal.

Dated this 19th day of July 2018

**Allan James
For the Registrar**