O-479-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION
NO 3004027 IN THE NAME OF
ALEXANDER HOUSE FINANCIAL SERVICES

AND

OPPOSITION THERETO UNDER NO 401121
BY BINCKBANK N.V.

Background

1. On 29 April 2013 Alexander House Financial Services ("the applicant") applied under no 3004027 for registration of the trade mark Smart Alex for the following services:

Class 36
Financial Services

Class 42
Technological Services

2. Following publication of the application in *Trade Marks Journal* 2013/030 on 26 July 2013, notice of opposition was filed by BinckBank N.V ("the opponent"). The opposition is brought on grounds under section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). In support of its opposition, the opponent relies on the following community trade marks ("CTM"):

Mark and no	Dates	Specification
CTM 2062255 ALEX	Filing date: 30 January 2001 Date of entry in register: 4 March 2002	Class 36: Insurance underwriting; financial affairs; monetary affairs; mediation and consultancy in respect of securities and bond transactions
CTM 7529506 alex.	Filing date: 16 January 2009 Date of entry in register: 21 October 2009	Class 36: Financial affairs and insurance; monetary affairs; banking, including mortgage banking; financial analysis, estimates and budgets; consultancy and services rendered in the field of finance; financing services; fiscal valuations, appraisals and consultation; mediation and consultancy relating to bonds, shares and securities transactions; processing options orders; issuance of securities; real estate brokerage and consultancy; property management; leasing of data communications equipment, in particular for financial transactions; the aforesaid services within the framework of representing the financial interests of others

3. The applicant filed a counterstatement essentially denying the grounds of opposition.

4. Only the applicant filed evidence. The opponent filed written submissions. Neither party sought a hearing. I give this decision after a careful review of all the papers.

5. The applicant's evidence consists of a witness statement and exhibits of Jane Hodges, Chief Operating Officer of Alexander House Financial Services Limited. Much of Ms Hodges' evidence takes the form of submissions, which I do not summarise but will take into account in reaching my decision.

6. That said, there are issues raised in the evidence which I will address here. Ms Hodges states that the applicant is: "a new retail, UK-centric, national Financial Advice business having been incorporated on 8th January 2013". She states that the Financial Conduct Authority ("FCA") regulates the UK retail financial services industry, that it is unlawful to trade without its authorisation and that the applicant has the necessary authorisation. In contrast, she submits, the opponent has not traded in the UK, is not authorised to conduct regulated activities in the UK and that without authorisation from the FCA, it is unlawful for it to promote, offer or make arrangements for any person to use the services for which its earlier marks are registered. The applicant submits that for this reason, it does not consider it necessary to request proof of use of the opponent's mark.

7. The opponent has not disputed that the authorisation of the FCA is necessary in order for certain trade to be undertaken, it does not dispute that it does not have that authorisation nor does it claim that it has traded under its mark in the UK.

8. Dealing first with the authorisation by the FCA, statutory licensing is a feature of many areas of business. In *YTV & Device* BL (O-042-99) the Hearing Officer considered the effect of an applicant not having applied for a required broadcasting licence and stated:

> "it seems to me that the application for the YTV mark could be one in a sequence of commercial steps of which such a license application is another."

The fact that the opponent does not have, or at least has not shown it has, any necessary authority to enable it to trade in certain services, is not material to the issue I have to determine.

9. Ms Hodge's submissions that the opponent has not used its marks in the UK, whether or not because it does not have the necessary authorisation and that if it did use it, it would be acting illegally, are not relevant either. The opponent relies on two earlier marks. In order to achieve registration of a trade mark, it is not necessary for that mark to have been used in the course of trade. Once a mark has been registered for five years, however, it becomes subject to possible cancellation proceedings on the grounds that it has not been used in that period.

10. The opponent's CTM 7529506 had not been registered for five years at the date of the publication of the application the subject of these proceedings and, as a consequence, the opponent is entitled to rely on it in respect of all services for which it is registered.

11. The opponent's CTM 2062255 had been registered for more than five years at the date of publication. The applicant refers me to C-149/*11 ONEL* and submits that it was found "it was not allowed to prevent a similar national mark from being registered as exploitation in one jurisdiction in the EU is not genuine use in the EU

Community" and further submits that the situation here is on fours with the issues dealt with in that case. The opponent, not surprisingly, disagrees. The applicant has not put the opponent to proof of use of this earlier mark. It submits that it would have "been a waste of money and time for the Opponent to have had to display proof of use in the UK" presumably on the basis that it was already certain the mark had not been used in the UK for any of the services for which it is registered, however, the proper way to challenge the validity of that registration would be to seek its cancellation on the grounds of its non-use (and which the opponent would have the opportunity to counter, whether on the grounds that the mark had in fact been used or that there were proper reasons for its non-use). As far as I am aware, it has not filed an application seeking to revoke that registration on the grounds of its non-use (or indeed any other grounds).For these reasons, the opponent is also entitled to rely on this earlier mark for each of the services for which it is registered.

Decision

12. The opposition is founded on an objection under section 5(2)(b) of the Act which states:

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

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

The principles

> "(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
>
> (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, 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 causes the public to wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion."

Comparison of the respective services

14. For ease of reference, the services to be compared are as follows:

Opponent's specifications	Applicant's specification
Class 36: Insurance underwriting; financial affairs; monetary affairs; mediation and consultancy in respect of securities and bond transactions (CTM 2062255)	Class 36: Financial Services Class 42: Technological Services
Class 36: Financial affairs and insurance; monetary affairs; banking, including mortgage banking; financial analysis, estimates and budgets; consultancy and services rendered in the field of finance;	

financing services; fiscal valuations, appraisals and consultation; mediation and consultancy relating to bonds, shares and securities transactions; processing options orders; issuance of securities; real estate brokerage and consultancy; property management; leasing of data communications equipment, in particular for financial transactions; the aforesaid services within the framework of representing the financial interests of others (CTM 7529506)	

15. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23:

> "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".

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

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

17. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12], Floyd J stated:

> "… Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR) [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. 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."

18. In relation to complementary goods and services, the comments of the Court of First Instance (now the General Court) in *Boston Scientific Ltd v OHIM* case T-325/06 are relevant:

> "82 It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48)."

19. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander Q.C., sitting as the Appointed Person, in case BL O/255/13 *LOVE* where he warned against applying too rigid a test:

> "20. In my judgment, the reference to "legal definition" suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston."

20. I also bear in mind the comments of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05, where it said:

> "...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..."

By analogy, the same is true of services.

21. Both parties comment on the respective parties' actual services, however, I do not intend to summarise those submissions. This is because the services I have to compare are not those in which they may actually or intend to trade but those for which the earlier marks are registered and for which registration is sought.

22. *Financial Services* as set out in the application, is a wide ranging term. Each of the opponent's earlier marks has a specification which includes, inter alia, *financial*

affairs and *monetary affairs*. In addition, CTM 7529506 includes *financial analysis, estimates and budgets; consultancy and services rendered in the field of finance; financing services* and *fiscal valuations, appraisals and consultation.* Each of these is a financial service and therefore identical to the applicant's services in class 36 either on the basis that they are alternative terms for the same services or are specific services which are included within the more general term.

23. *Technological Services* in class 42 is also a wide ranging term but will include those services relating to computer technology. The opponent's specification for CTM 7529506 includes *leasing of data communications equipment, in particular for financial transactions.* Financial affairs, such as bank accounts etc. are increasingly accessed electronically via specialised programs, interfaces or through hardware such as card readers and I am aware that financial institutions supply such services and equipment whether for its own account holders or others, thus the users and uses will overlap as will the channels of trade and I find there is a moderate degree of similarity between them.

The average consumer and the nature of the purchasing process

24. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97.*

25. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

26. Each of the services may be bought and used by the general public though some, such as specific software design technologies are more likely to be used by businesses. Purchases are likely to be made from either specialised outlets whether on the High Street or a website or other platform and the visual aspects are likely to come to the fore though not to the extent that the aural aspects can be ignored given that discussions may be had with those providing the service to ensure they meet the consumer's specific requirements. Given the importance of financial matters, and the methods of accessing and controlling them and the use to which technological services will be put, the average consumer is likely to take at least reasonable care in the purchase of each of the services.

Comparison of the respective marks

27. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, Bimbo SA v OHIM, that:

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

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

29. For ease of reference, the marks to be compared are:

Opponent's earlier marks	Applicant's mark
CTM 2062255 ALEX	Smart Alex
CTM 7529506 alex.	

30. As earlier mark CTM 2062255 consists of the single word ALEX presented in plain block capital letters, it has no distinctive or dominant components; the distinctiveness lies in the trade mark as a whole. Earlier mark CTM 7529506 also consists of the same word, albeit presented in a lower case but unremarkable font and followed by a full stop which is unlikely to be given any trade mark significance by the average consumer. Again, the distinctiveness lies in the word alex. Alex is a well-known name in its own right but is also the shortened version of other names e.g. Alexander/Alexandra but however it is viewed, it will be seen as a name.

31. The word Alex appears as the second word within the applicant's two word mark which has Smart as its first word. Whilst recognising that the first word within a mark may be accorded more weight, I bear in mind that trade marks must be considered as wholes. It seems to me that in this case, the word Smart is used, as the applicant submits, in an adjectival sense and reads into and relates directly to the word it precedes. The word Smart is an everyday one which has the meaning of e.g. intelligent, but is also used to describe certain technologies e.g. smart phones, so is not distinctive for services provided by way of or utilising such technology.

32. In its counterstatement, the applicant accepts that each of the marks contain the word ALEX but submits that the adjective SMART in its mark is sufficient to distinguish them. It also submits that:

> "Smart Alex is a play on the common English term "being a Smart Aleck" which derives from the name of a New York "pimp" named Alex Hoag, in and around 1840, who the police called Smart Aleck as he was able to evade them so often. The term "Smart Aleck" also has a specific meaning and no right minded English speaking person will divorce the word "Smart" from "Alex" given the prevalence and knowledge of Smart Aleck within the English speaking world and therefore there is no chance of getting the brand confused with [the opponent's] "Alex" mark."

The opponent submits that the applicant has:

> "failed to explain why it did not apply for the term SMART ALECK or the accepted alternative spelling SMART ALEC but instead chose to apply for SMART ALEX incorporating the Opponent's Earlier Marks in their entirety. It is submitted that by using the term ALEX the Applicant has introduced conceptual ambivalence and consumer will understand the Application as a reference to the Opponent rather than a play of SMART ALECK."

33. Whilst it may be that some may be familiar with the term Smart Aleck/Smart Alec (though perhaps not its derivation), the fact remains that the mark applied for is not Smart Aleck/Alec but Smart Alex. Comparing the respective marks as wholes, there is a reasonable degree of visual, aural and conceptual similarity between them.

Distinctiveness of the earlier marks

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

35. The opponent has not filed any evidence and has not therefore shown what use it may have made of the earlier marks. I am therefore unable to find that the distinctiveness has been enhanced through use. As indicated above, the word Alex is a well-known (abbreviated) name but I consider it to be a mark with an average degree of inherent distinctive character in relation to the services for which it is registered.

Likelihood of confusion

36. In determining whether there is a likelihood of confusion, a number of factors have to be borne in mind. The first is the interdependency principle whereby a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. I also have to factor in the distinctive character of the earlier mark as the more distinctive it is the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them he or she has retained in mind.

37. The applicant makes submissions on the likelihood of confusion based on the number of firms on the FCA register which "were or are using the monicker "Alex"". The opponent submits that the fact that "there are other firms with the component ALEX in their company name is irrelevant and should be disregarded as the marks should be compared with each other as they appear on the register". The factors I have to consider in determining whether there is a likelihood of confusion between the respective marks are set out in paragraph 14 above.

38. Earlier in this decision, I determined:

- The respective marks have a reasonable degree of visual, aural and conceptual similarity;

- The applicant's services in class 36 are identical to those included within both of the opponent's earlier trade marks;

- The applicant's services in class 42 have a moderate degree of similarity to services included within CTM 7529506;

- A reasonable degree of care will be taken by the average consumer in purchasing the services;

- The earlier marks have an average degree of inherent distinctive character which has not been shown to have been enhanced through use.

39. I have to consider both direct confusion (where the marks are mistaken for each other) and indirect confusion (where the marks are taken to be from the same or economically linked companies). Taking all matters and submissions into account, I consider that whilst a reasonable degree of care in the purchase may lessen the likelihood of imperfect recollection, the situation here is that the average consumer will notice there is a difference between the marks so will not imperfectly recall or directly confuse them.

40. As to indirect confusion, in *L.A. Sugar Limited v By Back Beat Inc* (BL-O/375/10), the Appointed Person, Mr Iain Purvis Q.C, commented on the difference between direct and indirect confusion in the following terms:

> “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.
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> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).
>
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

41. Although I have concluded that the competing trade marks will not be confused directly, the presence of the descriptive/non-distinctive word Smart in the applicant’s trade mark falls into category (b) above i.e. the later mark adds a non-distinctive element to the earlier trade mark. The consequence of that conclusion is that the average consumer is likely to construe the applicant’s trade mark as a sub-brand or brand extension of the opponent’s trade mark and assume that the services of the applicant are those of the opponent or some undertaking economically linked to them and accessed or available via smart technology. The opposition under section 5(2)(b) of the Act succeeds accordingly.

Summary

42. The opposition brought on grounds under section 5(2)(b) succeeds.

Costs

43. The opponent having succeeded, is entitled to an award of costs in its favour. I take into account that whilst the applicant filed evidence, the opponent did not. It did, however, file written submissions. I also take into account that no hearing took place.

44. Taking all matters into consideration, I make the award on the following basis:

Preparing a statement and considering the applicant's statement:	£200
Opposition fee:	£100
Reviewing evidence:	£300
Written submissions:	£100
Total:	**£700**

45. I order Alexander House Financial Services to pay BinckBank N.V. the sum of **£700**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of November 2014

Ann Corbett
For the Registrar
The Comptroller-General