

O-504-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3011362
BY
ALLATUS LTD**

TO REGISTER THE TRADE MARK



IN CLASS 42

AND

**THE OPPOSITION THERETO
UNDER NO 400828
BY
SANDERSON LIMITED**

BACKGROUND

1. On 25 June 2013, Allatus Ltd (the applicant) applied to register the above trade mark in class 42 of the Nice Classification system¹ as follows:

Computer software consultancy; Computer software consultancy services; Computer software consulting; Computer software consulting services; Computer software design; Computer software design and development; Computer software design and updating; Computer software (design of -);Computer software development; Computer software (Maintenance of -);Computer system analysis; Computer systems analysis; Computer systems design; Computer systems development; Conducting feasibility studies relating to computer information systems; Conducting feasibility studies relating to computer software; Consultancy (Computer software -);Consultancy in the field of computer software; Consultancy services for analysing information systems; Consultancy services for designing information systems; Consultancy services for planning information systems; Consultation services relating to computer software; Consultation services relating to computer systems; Creation, maintenance and adaptation of software; Design and development of computer software; Design and writing of computer software; Design, maintenance and updating of computer software; Design, maintenance and up-dating of computer software; Design, maintenance, development and updating of computer software; Design of software; Design services relating to computer software; Design, updating and maintenance of computer software; Development of computer software; Development of computer software application solutions; Development of computer systems; Information services relating to information technology; Information services relating to the development of computer systems; Information technology consultancy; Information technology consulting; Information technology support services; Maintenance of software; Professional advisory services relating to computer software; Professional consultancy relating to computer software; Services for the design of computer software; Services for the design of computer systems; Software consultancy services; Software consulting services; Software creation; Software design; Software design and development; Software design (computer-);Software design (Computer -);Software development; Systems analysis (computer -);Updating of computer software; Up-dating of computer software; Updating of software; Upgrading of computer software; Computer software consultancy; Computer software consultancy services; Computer software consulting; Computer software consulting services; Computer software design; Computer software design and development; Computer software design and updating; Computer software (design of -);Computer software development; Computer software (Maintenance of -);Computer system analysis; Computer systems analysis; Computer systems design; Computer systems development; Conducting feasibility studies relating to computer information systems; Conducting feasibility studies relating to computer software; Consultancy (Computer software -);Consultancy in the field of computer software; Consultancy services for analysing information systems; Consultancy services for designing information systems; Consultancy services for planning information systems; Consultation services relating to computer software; Consultation services relating to computer systems; Creation, maintenance and adaptation of software; Design and development of computer software; Design and writing of computer software; Design, maintenance and updating of computer software; Design, maintenance and up-dating of computer software; Design, maintenance, development and updating of computer software; Design of software; Design services relating to computer software; Design, updating and maintenance of computer software; Development of computer software; Development of computer software application solutions; Development of computer

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

systems; Information services relating to information technology; Information services relating to the development of computer systems; Information technology consultancy; Information technology consulting; Information technology support services; Maintenance of software; Professional advisory services relating to computer software; Professional consultancy relating to computer software; Services for the design of computer software; Services for the design of computer systems; Software consultancy services; Software consulting services; Software creation; Software design; Software design and development; Software design (computer-);Software design (Computer -);Software development; Systems analysis (computer -);Updating of computer software; Up-dating of computer software; Updating of software; Upgrading of computer software.

2. The application was published on 12 July 2013, following which, Sanderson Limited (the opponent) filed notice of opposition against the application.

3. The opposition is based on section 5(2)(b) of the Trade Marks Act 1994 (the Act). The opponent relies upon three Trade Mark (TM) registration numbers in respect of the section 5(2)(b) grounds. The details of the earlier marks stand as follows:

Mark details and relevant dates	Goods and services relied upon
<p>TM: 1424886</p> <p>UNITY</p> <p>Filed: 11 April 1990</p> <p>Entered in the register: 21 January 1994</p>	<p>Class 42</p> <p>Computer services; computer programming; design of computer software; advisory services relating to the selection of computer software.</p>
<p>TM: 1424884</p> <p>UNITY</p> <p>Filed: 11 April 1990</p> <p>Entered in the register: 28 January 1994</p>	<p>Class 9</p> <p>Computer software; computer programs.</p>

<p>TM: 2570519</p> <p>UNITYEXPRESS</p> <p>Filed: 28 January 2011</p> <p>Entered in the register: 17 June 2011</p>	<p>Class 42</p> <p>Computer services; computer programming; design of computer software; the provision of software as a service.</p>
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4. In its statement of grounds the opponent states that its UNITY services mark and its UNITYEXPRESS mark are registered for identical services to those in the applicant's specification. It claims that its UNITY goods mark is registered for goods which are closely related to the applicant's class 42 services. It submits that the UNITY marks are incorporated wholly into the applicant's mark and that its UNITY EXPRESS mark and the application contain the common word UNITY.

5. The opponent states that it is likely that consumers will assume (wrongly) that the goods and services come from the same source, or that there is a connection/association between them and concludes:

"As the Opponent owns the marks UNITY and UNITYEXPRESS, there is also a risk that ALLATUS UNITY will be seen as another mark from the same stable of marks."

6. The applicant filed a counterstatement on 18 November 2013. It denies the grounds on which the opposition is based in the following terms:

"Whether there is a likelihood of confusion is ultimately a question of fact. The defendant submits that there is no likelihood of confusion in the present case on the following basis:

I. There are significant dissimilarities between the marks

II. The most distinctive element of the proposed mark is ALLATUS, not the common feature UNITY.

III. The nature of the product indicates that customers are likely to be exercising a fair degree of care and attention in making a purchase; and

IV. The other uses of "Unity" and "UnityExpress" in relation to software tend to indicate that the existing marks have relatively low levels of distinctiveness within the software market."

7. The opponent's UNITY solus marks are earlier marks, which are, in principle, subject to proof of use because, at the date of publication of the application, they had been registered for five years.² However, at section 5 of its counterstatement the applicant has

² See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004: SI 2004/946) which came into force on 5th May 2004.

answered “NO” when asked if it requires the opponent to provide proof of use. Therefore, I need consider it no further. The opponent is entitled to rely on its full specification. The opponent’s UNITYEXPRESS mark is not subject to proof of use because, at the date of publication of the application, it had not been registered for five years.

8. Both parties filed evidence, neither party asked to be heard and both filed written submissions in lieu of attendance at a hearing.

EVIDENCE

9. The evidence filed by both sides contains a combination of evidence and submissions, all of which I have considered even though I have not referred to every page specifically.

Opponent’s evidence

Witness statement of Adrian Frost with exhibits AF1 to AF4

10. Mr Frost is the Finance Director of the opponent. His witness statement is dated 21 February 2014. He states that the applicant was founded in 1983 and supplies software solutions to the multi-channel retail and manufacturing sectors. He submits that the company has a multi-million pound turnover and employs approximately 190 people nationwide.

11. Attached to Mr Frost’s statement are four exhibits which comprise prints from the UK trade mark register of the marks relied on in these proceedings and a number of pages from the applicant’s website concerning its UNITY products and examples of its mark in use.

Applicant’s evidence

Witness statement of Stewart Pitt with exhibits SP1 to SP4

12. Mr Pitt is the Finance Director of the applicant. His statement is dated 22 April 2014.

13. Exhibit SP2 comprises prints from the trade mark register showing five Community trade marks which include the word UNITY and are registered in, at least, class 42.

14. Exhibit SP3 consists of examples of uses of Unity and Unity Express names in the software marketplace about which Mr Pitt states:

“4. In addition to these registered trade marks there are a number of other software products on the market which utilise the name “Unity” or “Unity Express”. In particular the name “Unity” is used in respect to 3D engine software for the creation of computer games produced by Unity Technologies and for software for use by off-shore financial services providers produced by Unity Software Limited. Unity Express is the name of a phone system sold by Cisco Systems which utilises both hardware and software.”

15. The first page of the exhibit appears to be a data sheet and is titled, “Why UNITY?”. The rest of the page describes ‘UNITY elements’ software for use in the ‘Offshore Finance Industry’. It provides details of the system, its features, pricing policy, training and technical

support. A website and email contact address are provided, both of which relate to unitysoftware.net. The page is not dated.

16. The remaining 14 pages of the exhibit are data sheets for 'Cisco Unity Express'. The pages describe the features of the hardware and software products and have a copyright date of 2011.

Opponent's evidence in reply

Second witness statement of Adrian Frost with exhibit AF5

17. Mr Frost's second witness statement is dated 24 June 2014. The attached exhibit is described by Mr Frost as:

"3...a page from our website, which shows we market Unity as an ERP (enterprise resource planning) solution. This is a recognised term in the software industry, describing a solution that is designed to provide functionality for the majority of functions within the customer's business. As part of this solution we provide management information, consolidating data from a number of functions within the business (sales, production, design, purchasing etc)."

18. I give this decision following a review of all of the material before me.

DECISION

19. Section 5(2)(b) reads as follows:

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

(a)...

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

Section 5(2)(b) case law

20. 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 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The opponent's earlier marks

21. The opponent relies on three earlier marks, two of which are for the word 'UNITY', the other for 'UNITY EXPRESS'. The single word marks are the closest to the applicant's mark for the purposes of this opposition under section 5(2)(b). The 1424886 'UNITY' mark is registered for a broad range of services in class 42 and is consequently closer to the applicant's mark applied for in class 42 than its other 'UNITY' mark which is registered for goods in class 9. In the first instance I will make an assessment based on the opponent's 'UNITY' mark in class 42.

Average consumer and the nature of the purchasing act

22. 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*. 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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

23. Throughout its evidence and submissions the applicant makes much of the definition of the average consumer for its services, relying on *Digipos Store Solutions v Digi International*³, from which it concludes that specialist IT equipment, software and services are likely to be purchased with “*considerable care by knowledgeable and discriminating consumers*”.

24. With regard to its own services, the witness statement provided by Mr Pitt, for the applicant, states:

“The Allatus Unity software package, for which we have attempted to register the ALLATUS UNITY trade mark, retails at a relatively high price (over £100K). We do not sell the product ‘off the shelf’ and our software is always sold to a client following a tendering process ...Our customers and potential customers therefore exercise a high degree of care and attention when deciding whether to engage our company for the provision of the Allatus Unity suite of software with ample opportunity to ensure there is no misunderstanding of whose software they are looking to buy.”

25. In its written submissions the opponent concludes that the parties’ evidence makes it clear that:

“...both parties use their marks in Business-to-business sales, and that the consumers of both parties pay a high level of attention and are very knowledgeable about the products and what they expect them to achieve. This is not a low cost impulse purchase, but much time and consideration is given to making the purchase.”

26. The parties clearly agree as to the nature of their businesses, which in practice, may be of the ‘specialist’ type referred to in *Digipos*. However, both parties’ specifications include broad terms such as ‘computer services’, ‘advisory services relating to the selection of computer software’ and ‘information services’ which may include bespoke products involving considerable expense but may also include services which are available ‘off the shelf’ to members of the general public. Whatever the reality of their customer

³ [2008] RPC 24

profile, I must consider the average consumer, bearing in mind the full breadth of the specification as registered.

27. The professional purchaser, commissioning a service such as the development of a computer system, is likely to pay a fairly high level of attention to what is an expensive and infrequent purchase. They are likely to consider, inter alia, cost, purpose, ease of use and compatibility. A member of the general public buying such services is likely to pay a slightly higher than average consideration to what is an infrequent purchase and will need to be made with regard to cost and suitability. Purchasers of such services are likely to encounter them in a way that is primarily visual, though I do not discount aural considerations where advice may be sought prior to purchase.

Comparison of services

Opponent's services	Applicant's services
<p>Class 42</p> <p>Computer services; computer programming; design of computer software; advisory services relating to the selection of computer software.</p>	<p>Class 42</p> <p>Computer software consultancy; Computer software consultancy services; Computer software consulting; Computer software consulting services; Computer software design; Computer software design and development; Computer software design and updating; Computer software (design of -); Computer software development; Computer software (Maintenance of -); Computer system analysis; Computer systems analysis; Computer systems design; Computer systems development; Conducting feasibility studies relating to computer information systems; Conducting feasibility studies relating to computer software; Consultancy (Computer software -); Consultancy in the field of computer software; Consultancy services for analysing information systems; Consultancy services for designing information systems; Consultancy services for planning information systems; Consultation services relating to computer software; Consultation services relating to computer systems; Creation, maintenance and adaptation of software; Design and development of computer software; Design and writing of computer software; Design, maintenance and updating of computer software; Design, maintenance and up-dating of computer software; Design, maintenance, development and updating of computer software; Design of software; Design services relating to computer software; Design, updating and maintenance of computer software; Development of computer software; Development of computer software application solutions; Development of computer systems; Information services relating to information technology; Information services relating to the development of computer systems; Information technology consultancy; Information technology consulting; Information technology support services; Maintenance of software;</p>

Professional advisory services relating to computer software; Professional consultancy relating to computer software; Services for the design of computer software; Services for the design of computer systems; Software consultancy services; Software consulting services; Software creation; Software design; Software design and development; Software design (computer-);Software design (Computer -);Software development; Systems analysis (computer -);Updating of computer software; Up-dating of computer software; Updating of software; Upgrading of computer software; Computer software consultancy; Computer software consultancy services; Computer software consulting; Computer software consulting services; Computer software design; Computer software design and development; Computer software design and updating; Computer software (design of -);Computer software development; Computer software (Maintenance of -);Computer system analysis; Computer systems analysis; Computer systems design; Computer systems development; Conducting feasibility studies relating to computer information systems; Conducting feasibility studies relating to computer software; Consultancy (Computer software -);Consultancy in the field of computer software; Consultancy services for analysing information systems; Consultancy services for designing information systems; Consultancy services for planning information systems; Consultation services relating to computer software; Consultation services relating to computer systems; Creation, maintenance and adaptation of software; Design and development of computer software; Design and writing of computer software; Design, maintenance and updating of computer software; Design, maintenance and up-dating of computer software; Design, maintenance, development and updating of computer software; Design of software; Design services relating to computer software; Design, updating and maintenance of computer software; Development of computer software; Development of computer software application solutions; Development of computer systems; Information services relating to information technology; Information services relating to the development of computer systems; Information technology consultancy; Information technology consulting; Information technology support services; Maintenance of software; Professional advisory services relating to computer software; Professional consultancy relating to computer software; Services for the design of computer software; Services for the design of computer systems; Software consultancy services; Software consulting services; Software creation; Software design; Software design and development;

	Software design (computer-);Software design (Computer -);Software development; Systems analysis (computer -);Updating of computer software; Up-dating of computer software; Updating of software; Upgrading of computer software.
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28. With regard to their respective specifications the opponent's witness, Mr Frost, states:

"4. Just comparing the specification of the opposed application with those of [the opponent's] registrations for the mark 'UNITY', I note that they are identical to the specification for UK 1424886 [UNITY services mark] and UK 2570519 [UNITY EXPRESS], and are similar/closely related to the goods specified in UK 1424884."

29. In its written submissions, filed in lieu of a hearing, the applicant submits:

"6...Likewise, there is a de[g]ree of similarity between the parties' respective products and services in that they would broadly be considered 'business software'.

30. In comparing the services, I bear in mind the following guidance provided by the General Court (GC) in *Gérard Meric v OHIM*, which relates to goods but is analogous to services. Case T-133/05:

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

31. The applicant's specification contains a large number of terms which concern consultancy/advice, design and development, analysing, programming, updating and maintenance in respect of computer software and computer systems and information services. These are all services which are included within the broad term, 'computer services' in the opponent's specification.

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

Distinctive character of the earlier mark

33. The degree of distinctiveness of the earlier mark(s) must be assessed. This is because the more distinctive the earlier mark(s), based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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)."

34. In respect of the distinctiveness of its mark, the single word 'UNITY', the opponent states:

"16. The Applicant has claimed that the most distinctive element of their mark is the word ALLATUS and that the word UNITY has only a low level of distinctiveness. To support this allegation, the Applicant has submitted information about other UNITY marks on the Register...The MADAME⁴ case was restated in TREAT⁵ and establishes that '...the state of the Register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were that led the Registrar to put the marks concerned on the Register. It has long been held under the old Act that comparison with other marks on the Register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. MADAME trade mark and the same must be true under the 1994 Act'. This principle holds true today. The earlier registrations by third parties are irrelevant and should be given no weight in these proceedings. The Opponent's mark UNITY is registered on its own in plain block capital letters. It is therefore inherently distinctive...As no evidence of acquired distinctiveness has been submitted this cannot be assessed, however, neither can it be assumed that the level of distinctiveness is 'low'."

35. The applicant agrees, referring to TREAT⁶, that a lack of distinctiveness cannot be shown simply by comparing marks on the trade marks register but submits:

"17...However, it has been said that this does not preclude reliance on the register, as part of a body of evidence demonstrating that a particular name is in fact widely used, so as to reduce the distinctiveness of an earlier trade mark."

36. In support of this submission the applicant draws my attention to *Digipos*⁷, and concludes:

"It is the Applicant's submission that the examples of the use of UNITY and UNITY EXPRESS referred to above demonstrate that the names UNITY and

⁴ [1996] RPC 541

⁵ *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281

⁶ *Ibid*

⁷ *Above at 3*

UNITY EXPRESS are widely used names in the field of computer software. As such the *UNITY* and *UNITY EXPRESS* marks are not particularly distinctive.”

37. The relevant paragraphs of *Digipos* are as follows:

“62. The evidence of use is re-inforced by what has been described as “state of the Register” evidence. Before turning to that material, it is necessary to consider what reference it is appropriate to make to the state of the register. In *British Sugar plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 at 305 Jacob J. said:

‘It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME Trade Mark* [1966] R.P.C. 541 and the same must be true under the 1994 Act.’

63 That was said in the context of a case where absolute grounds were relied on as the basis for refusing registration. However, in the present case, this material is not relied on in support of an argument that a mark which shares characteristics with those already registered should, for that reason, also be registered: the register is not relied on for its precedent value, in my judgment, rightly so. The register is not in this case deployed to show actual use of the marks recorded there either: for that purpose too, it would be of limited, if any, evidential value. Instead, the register is relied upon to show that, as a matter of fact, a significant number of traders have expressed the intention of using (and *may be using*) the prefix DIGI- as part of a mark in relation to class 9 goods which (one is invited to infer, in the absence of detailed specifications) involve a digital or computer-related element. It does not seem to me to be illegitimate, as a matter of principle, to deploy material of this kind for that limited purpose and, for that purpose, it is of some value as part of a larger body of material.

64 The material relied on...shows a large number of marks registered or applied for in class 9 by a large number of different undertakings, which have DIGI- as a prefix. Some, it is true, are for DIGITAL or variants. But a large number are not. They are for marks employing a DIGI- prefix. They include marks such as DIGIANSWER, DIGIBAR, DIGIBET, DIGIBLADE, DIGIBOOK, DIGIBOX, DIGIUS, DIGICALL, DIGICAM, DIGICARD, DIGICARE, DIGICASH, DIGICAST, DIGICAT and so on. The number of such marks is striking.

65 It is, in my judgment, to be inferred that the reason that the prefix DIGI- is intended to be used (as these registrations or applications demonstrate) in at least a significant proportion of those marks is so as to indicate that the product or service is or involves digital apparatus, computers or software and that, to a large number of traders, that is what it means. That seems the most logical explanation for (a) the number and (b) the diversity of such marks. This provides further support for the proposition that DIGI-used as a prefix has a limited capacity as such to distinguish goods or services of one undertaking from those of another when used in relation to goods or services involving digital apparatus, computers or software and is common to this general trade.”

38. In this case the opponent has shown five CTM registrations which include the word UNITY. Two are in the form of UNITY solus, the others are UNITY ONE, ZINIO UNITY and UNITY PLUS. All of the cited marks are registered for services in class 42 and include combinations of design, development, construction, updating, provision and consultation services in respect of computer services. Five marks across the EU is not statistically significant, especially as it would appear that they are being used as trademarks rather than as suggestive prefixes of the type discussed in *Digipos*.

39. 'Unity' is agreement, harmony, the bringing together a number of elements to create an efficient whole. In the computing world the unifying of systems and processes, etc. is clearly a desirable outcome and often the primary purpose for the development of a computer system, i.e. to harmonise/unify a number of existing systems. Although, it is not directly descriptive it is suggestive of the purpose of the services. In this context, I consider its level of inherent distinctiveness to be on the low side.


Comparison of marks

40. 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 CJEU 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.”

41. 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.

42. The marks to be compared are as follows:

Opponent's mark	Applicant's mark
UNITY	 <p>ALLATUS UNITY</p>

43. The opponent's mark consists of a single element, the word 'UNITY' in block capitals with no form of stylisation. Consequently, the overall impression is based solely on this word.

44. The overall impression of the applied for mark is made up of the word 'ALLATUS', in grey block capitals, followed by a device element made up of three overlapping diamonds shown in green, blue and purple which are presented on a grey background. The device is something of an optical illusion in that it may also be seen as a grey cube with its front and back faces and a cross section depicted in colour. The word 'UNITY' is shown in white block capitals superimposed onto the device at the same height and size as the first word 'ALLATUS', so that the words sit next to each other. The letters 'U' and 'N' are conjoined and the typeface is slightly bolder than that of the first word.

45. The applicant submits that it is the word 'ALLATUS' that is more distinctive than the word 'UNITY', while the opponent contends that they are equally distinctive words. Neither party refers to the device element which clearly makes a contribution to the overall impression of the mark applied for. Overall there is no single element which strongly dominates the others, though the word 'ALLATUS' and the device element of the mark provide a slightly higher degree of relative weight in the overall impression of the applicant's mark, than the word 'UNITY'.

Visual similarities/differences

46. Visually, the elements I have identified in the preceding paragraphs as contributing to the respective overall impressions of the marks result in a number of differences between them. Not least, the visually distinctive device contained in the mark applied for and the addition of the word 'ALLATUS' in front of the word 'UNITY', the latter being the totality of the earlier mark. With regard to visual similarity, this rests in the fact that both marks contain the word 'UNITY'. Overall there are striking differences which will not go unnoticed. Consequently, there is only a low degree of visual similarity between them.

Aural similarities/differences

47. The degree of aural similarity is greater than the visual similarity. Both marks contain the word 'UNITY' which is common in the English language. The applied for mark includes the additional word 'ALLATUS' before the word 'UNITY', which will most likely be pronounced, AL (as in ALP) – A (as in AT) – TUS (as in TUSCANY), resulting in a moderate degree of aural similarity between the competing marks.

Conceptual similarities/differences

48. The word 'UNITY' is defined as:⁸

1. the state or quality of being one; oneness.
2. the act, state, or quality of forming a whole from separate parts.
3. something whole or complete that is composed of separate parts.
4. mutual agreement; harmony or concord: *the participants were no longer in unity.*
5. uniformity or constancy: *unity of purpose.*

⁸ Collins English Dictionary, © HarperCollins Publishers 2000

49. With regard to its mark the applicant states, in Stewart Pitt's witness statement, that:

"2...The Company's name comes from the latin word 'allatus' meaning 'to report' or 'to bring' which ties in to what our products are designed to do, support reporting.

...

3...The name for the software 'ALLATUS UNITY' and trade mark design was created by [a design agency] who held workshops with us to understand the company and the software. The key to the name is that the software 'Reports' or 'Brings' Unity, hence ALLATUS UNITY."

50. It is well established that the average consumer cannot be assumed to know the meaning of everything.⁹ In this case the average consumer is unlikely to be aware that 'ALLATUS' is a Latin word meaning to report or bring. It will be seen as an invented word preceding the word 'UNITY' which is a common word in the English language with which the average consumer will be familiar.

51. The marks are conceptually similar to the extent that both contain the word 'UNITY', it being the entirety of the earlier mark and the second word in the mark applied for.

Likelihood of confusion

52. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind¹⁰. I must also keep in mind the average consumer for the services, the nature of the purchasing process and have regard to the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa.

53. In reaching a decision on the likelihood of confusion I am mindful of the guidance on how to approach issues of similarity involving composite signs which can be found in the CJEU's judgment in *Medion AG v Thomson multimedia Sales Germany & Austria GmbH*, Case C-120/04 where it was held that:

*"29. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).*

30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an

⁹ See the comments of Anna Carboni sitting as the Appointed Person in the *Chorkee* case, BL O-048-08

¹⁰ *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

54. I am also mindful of the recent decision of the CJEU in *Bimbo S.A. v OHIM*¹¹ in which it was held that:

“25...a component of a composite sign does not retain such an independent distinctive role if, together with the other component or components of the sign, that component forms a unit having a different meaning as compared with the meaning of those components taken separately.

...

33. Next, ...it should be pointed out that the purpose of examining whether any of the components of a composite sign has an independent distinctive role is to determine which of those components will be perceived by the target public.

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

35...Such an assessment must be based on the overall impression produced by the trade marks at issue, since the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details... Therefore, this does not involve an exception, that must be duly substantiated, to that general rule.

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

¹¹ Case C-591/12P

55. I take into consideration the fact that the services are identical and that I have found the marks to have a low degree of visual similarity, a moderate degree of aural similarity and to be conceptually similar to the extent that both contain the common English word UNITY. I also bear in mind that the earlier mark possesses a slightly lower than average degree of inherent distinctive character.

56. Differences I have already identified mean that there is no likelihood of the marks being mistaken for one another giving rise to direct confusion, which leaves the consideration of indirect confusion which is explained in *L.A. Sugar Limited v By Back Beat Inc*¹², in which Mr Iain Purvis Q.C. sitting as the Appointed Person noted:

“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.’

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).”

57. The similarity between the marks, i.e. the inclusion of the word ‘UNITY’, does not give rise to a situation where the common element is so strikingly distinctive that it could only be seen as originating from the opponent. In fact, it is an element which possesses a slightly lower than average degree of distinctiveness in the context of the services. The applied for mark does not simply add a non-distinctive element to the common element. Rather, it adds distinctive elements, being the word ‘ALLATUS’ which will be considered an invented word by the average consumer and a large and visually significant device element. Whilst this is not an exhaustive list, I can see no other reason to come to the view that there would be indirect confusion.

¹² Case BL-O/375/10

58. The look and feel created by the mark applied for is visually striking in elements which are not common with the earlier mark. Accordingly, the average consumer (whether a member of the general public or a business purchaser) will not consider the common element to indicate services being provided by the same or an economically linked undertaking.

CONCLUSION

59. The opposition fails under section 5(2)(b) of the act.

COSTS

60. The opposition having failed, the applicant is entitled to a contribution towards its costs. I have taken into account that no hearing has taken place and make the award on the following basis:

Preparing a statement and considering the other side's statement	£300
Preparing and filing evidence and commenting on the other side's evidence	£500
Written submissions	£200
Total:	£1000

61. I order Sanderson Limited to pay Allatus Limited the sum of £1000. 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 28th day of November 2014

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