

O/766/18

TRADE MARKS ACT 1994

TRADE MARK APPLICATION 3254067

BY TOTAL MOTION LIMITED

AND

OPPOSITION 600000757

BY AFFINITY LEASING LIMITED

AND

TRADE MARKS 3133452 & 3172169

IN THE NAME OF AFFINITY LEASING LIMITED

AND

APPLICATIONS 501917/8 BY TOTAL MOTION LIMITED

FOR THE TRADE MARKS TO BE DECLARED INVALID

Background and pleadings

1. These proceedings consist of an opposition by Affinity Leasing Limited (“Leasing”) to application No. 3254067 by Total Motion Limited (“Total Motion”) to register **TOTAL MOTION AFFINITY SCHEME** as a trade mark in relation to:

“Class 9: Software for use in relation to vehicle leasing.

Class 35: Advertising services relating to the leasing of motor vehicles; business management of the leasing of a vehicle fleet for others; purchasing of vehicles for others; information, advisory and consultancy services in relation to the aforesaid services.

Class 36: Credit brokerage for loans secured on vehicles; credit brokerage for provision of vehicles by businesses for their employees; credit brokerage for vehicle finance products; credit services relating to motor vehicles; financial brokerage; financial services; financial services for the leasing of vehicles; financial services relating to motor vehicles; lease purchase financing of vehicles; lending services to merchants for the purpose of financing store inventories of vehicles; provision of finance for leasing of vehicles; provision of finance for the leasing of motor vehicles; provision of finance for the purchase of vehicles; secured loans to fund the provision of contract hire of motor vehicles; secured loans to fund the provision of contract hire of motor vehicles; secured loans to fund the provision of instalment credit agreements on motor vehicles; information, advisory and consultancy services in relation to the aforesaid services.

Class 39: Arranging vehicle hire; arranging vehicle rental; chartering of vehicles; hire of motor vehicles; leasing of motor vehicles; leasing of vehicles; rental of commercial vehicles; rental of road vehicles; vehicle contract hire; vehicle hire services; vehicle leasing services; vehicle rental services; information, advisory and consultancy services in relation to the aforesaid services.”

2. The application to register the opposed mark was filed on 1st September 2017. The opposition is based on Leasing’s earlier trade mark UK3172169. This mark consists of the word **Affinity**. Leasing’s application to register this mark was filed on

30th June 2016. Leasing's mark was published for opposition purposes on 16th September 2016 and registered on 25th November 2016. The mark is registered in relation to:

“Class 36: Provision of finance for leasing of vehicles; credit brokerage for loans secured on vehicles; credit brokerage for vehicle finance products; credit brokerage for provision of vehicles by businesses for their employees.
Class 39: Vehicle leasing; vehicle leasing services.”

3. Leasing claims that the earlier mark is similar to the opposed mark and that the respective goods/services are identical or similar. According to Leasing, there is a likelihood of confusion on the part of the public, including the likelihood of association. Therefore, registration of Total Motion's mark would be contrary to s.5(2)(b) of the Trade Marks Act 1994 (“the Act”). Registration should be refused accordingly.

4. Total Motion filed a counterstatement denying the grounds of opposition. It admits that the respective goods/services are identical, or similar to a low-to-medium degree. However, it denies that the marks are similar or that there is a likelihood of confusion. In this connection, Total Motion claims that an ‘affinity’ scheme is a well-known description of a commercial arrangement in which a group of people linked by a common purpose (known as an ‘affinity’ group) uses collective buying power to secure discounts from a supplier of goods/services. According to Total Motion, such group-based commercial arrangements are common in the vehicle leasing, purchase and finance market and are known as ‘affinity’ schemes, programmes, sales and partnerships. Consequently, the dominant and distinctive element of the opposed trade mark is the words ‘TOTAL MOTION’: ‘AFFINITY SCHEME’ being merely descriptive.

5. Consistent with Total Motion's position in the opposition proceedings, it filed an application on 22nd December 2017 to invalidate Leasing's registration of **Affinity** under trade mark UK3172169. At the same time, it also applied to invalidate another trade mark registered in the name of Leasing; namely UK3133452, which consists of the words **Affinity Leasing**. The latter mark was applied for on 27th October 2015

and registered on 25th March 2016. It covers the same services as UK3172169 (see paragraph 2 above). According to Total Motion, both marks were registered despite being descriptive of the services at issue, and/or devoid of any distinctive character, and/or consisting of terms that were customary in the current language or in the *bona fide* and established practices of the trade. Therefore, registration was contrary to s.3(1)(b), (c) and/or (d) of the Act, which are applicable in invalidation proceedings by virtue of section 47 of the Act.

6. Leasing filed counterstatements denying the grounds for invalidation. I note that it:

- (i) Admitted that 'Leasing' is descriptive of leasing services;
- (ii) Put Total Motion to proof that 'affinity' is descriptive, as alleged;
- (iii) Claimed that the marks had been used since 2000 by itself, or by a predecessor in business called Grosvenor Hall Group.

7. The opposition and invalidation proceedings were consolidated.

Representation

8. Total Motion is represented by Spearing Waite LLP. Leasing is represented by Filemot Technology Law Limited. A hearing took place on 15th September 2018 at which Mr Aaron Wood appeared on behalf of Total Motion. Ms Barbara Cookson appeared on behalf of Leasing.

The evidence

9. Only Total Motion filed evidence. This consists of a witness statement by Mr John Buckby with 7 exhibits. Mr Buckby is a partner at Spearing Waite LLP, the solicitors for Total Motion. The exhibits to Mr Buckby's statement include:

- (i) Historical extracts from Total Motion’s website showing that it has been trading under that name since 2002 in relation to consultancy and advice about vehicle leasing, purchase & maintenance;¹
- (ii) Historical extracts from Total Motion’s website showing that it introduced an ‘affinity scheme’ in May 2017 through which employers could save money on car leasing costs, and their employees and their families could obtain savings against the cost of obtaining new vehicles;²
- (iii) An extract from Wikipedia which defines ‘affinity marketing’ as “*a partnership between a company and an organisation that gathers persons sharing the same interests (known as an affinity group) to bring a vaster consumer base to the opposite party*”;³
- (iv) Examples of the use of ‘affinity cards’, ‘affinity schemes’, ‘affinity programmes’, ‘affinity partner’, ‘affinity organisations’ and ‘affinity groups’ in commerce, most of which pre-date these parties’ applications to register their trade marks;⁴
- (v) Examples of car manufacturers and car purchase/leasing companies promoting affinity schemes, usually for the benefit of employees, some of which pre-date these parties’ applications to register their trade marks;⁵
- (vi) A copy of the judgment by the Court of Appeal dated 12th March 2015 in a dispute between Liverpool Victoria Banking Services Limited and Unite the Union about an affinity scheme run by the former for members of the latter through which they obtained discounts on insurance (including motor insurance);⁶
- (vii) Other examples of ‘affinity scheme’ in use in relation to insurance products, most of which post-date these parties’ applications to register their trade marks;⁷

¹ See exhibit JAB1

² See JAB1

³ See JAB2

⁴ See JAB3

⁵ See JAB4

⁶ See JAB5. I note that the leading judgment records that the affinity scheme had been in place for several years and was known as an ‘affinity scheme’.

⁷ See JAB6

- (viii) Examples of 'affinity scheme' in use on websites in relation to vehicle leasing, purchasing and financing services, some of which pre-date these parties' applications to register their trade marks.⁸

Total Motion's application to invalidate Leasing's trade marks

10. It is convenient to start with Total Motion's applications to invalidate Leasing's trade marks. I will take these together.

11. The relevant parts of s.47 of the Act state:

"47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered."

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

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

Provided that this shall not affect transactions past and closed."

12. The relevant parts of s.3(1) of the Act state:

"3(1) The following shall not be registered –

⁸ See JAB7

- (a) -
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

13. The relevant dates for assessing all the s.3(1) grounds for invalidation are the dates of Leasing’s applications for registration, i.e. 30th June 2016 and 27th October 2015, respectively (“the relevant dates”).

14. I will first examine Total Motion’s claim that **Affinity** and **Affinity Leasing** are caught by s.3(1)(d) of the Act. In *Telefon & Buch Verlagsgesellschaft GmbH v OHIM*,⁹ the General Court summarised the case law of the Court of Justice under the equivalent of s.3(1)(d) of the Act as follows:

“49. Article 7(1)(d) of Regulation No 40/94 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the *bona fide* and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (see, by analogy, Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 31, and Case T-237/01 *Alcon v OHIM – Dr. Robert Winzer Pharma* (BSS) [2003] ECR II-411, paragraph 37). Accordingly, whether a mark is

⁹ Case T-322/03

customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or services, and, secondly, on the basis of the target public's perception of the mark (*BSS*, paragraph 37).

50. With regard to the target public, the question whether a sign is customary must be assessed by taking account of the expectations which the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, is presumed to have in respect of the type of goods in question (*BSS*, paragraph 38).

51. Furthermore, although there is a clear overlap between the scope of Article 7(1)(c) and Article 7(1)(d) of Regulation No 40/94, marks covered by Article 7(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (see, by analogy, *Merz & Krell*, paragraph 35, and *BSS*, paragraph 39).

52. Finally, signs or indications constituting a trade mark which have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by that mark are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark (see, by analogy, *Merz & Krell*, paragraph 37, and *BSS*, paragraph 40)."

15. It is clear from the case law that an objection arises under s.3(1)(d) when the trade mark had become customary etc. at the date of the application for registration in relation to the goods/services for which registration is, or was, sought. The most relevant evidence in this respect comes from exhibits JAB4 and JAB7 to Mr Buckby's statement. In particular:

- (i) An extract from the British Horse Society's website dated 3rd July 2007 showing that it operated an 'Affinity Car Scheme' at that time;

- (ii) A website called 'employeebenefits.co.uk' included a definition of an 'affinity car scheme' in 2008 as being "[schemes which] *allow employers to strike a deal directly with manufacturers or through a leasing company, and provide employees with access to cheaper prices on the purchase of new and used cars.*"
- (iii) An article from the same website dated October 2008 recording that GlaxoSmithKline had launched a car discount affinity scheme for its 18.5k staff and that "*the affinity scheme is being communicated to staff in the company's quarterly internal magazine*";
- (iv) An article from the same website dated March 2010 recording that Comet the retailer had launched a new affinity company car scheme for its 10k employees;
- (v) Another article from the same website dated July 2012 recording that BT had introduced an online affinity fleet scheme to provide its employees and ex-employees with access to ex-BT Fleet cars;
- (vi) A copy of the website of Prospectus vehicle solutions from September 2013 showing that it provided vehicles on "*Affinity Terms*" for Police Officers and support staff to purchase or contract hire cars from major motor manufacturers, including Citroen, Nissan and Vauxhall;
- (vii) A copy of an article from the website of Moveleasing.co.uk dated February 2014 showing that it offered affinity benefit schemes to employers relating to the leasing of vehicles for the benefit of their employees or members;
- (viii) A similar article appeared on the website of multileasingdirect.co.uk in September 2014;
- (ix) An article dated April 2014 appeared on the website herts.polfed.org informing Police Federation members that "*The NEW Peugeot Affinity Scheme provides [you] and your partner/spouse with the benefit of exclusive, competitive rentals through.... Peugeot Contract Hire*";
- (x) A copy of an article dated February 2015 from the website of gmpautocare.com stating that it had introduced an Affinity Scheme through which "*you and your family*" [NHS employees] could obtain savings on new cars from Fiat Chrysler Automobiles UK;

- (xi) A copy of an article dated January 2016 from the website onrec.com recording that Barclays had recently launched an employee affinity scheme for its 59k employees and 20k pensioners in the UK through which they could purchase and finance cars from Renault, Saab, Mercedes and Vauxhall;
- (xii) An undated article from the website carleasing-online.co.uk with a copyright date of 2015 describing affinity car schemes and stating that such schemes were becoming increasingly popular.

16. At the hearing, Ms Cookson submitted that Total Motion's evidence did not establish that a significant part of the relevant public understood the words 'affinity' and 'affinity leasing' as designating a kind of car leasing scheme at the relevant dates. An important aspect of this submission was that the relevant public in this case included motorists, i.e. the general public. By contrast, Ms Cookson submitted that Total Motion's evidence showed only limited use of 'affinity scheme' in business-to-business communications.

17. According to Leasing, car dealers and manufacturers are not part of the 'trade' for the purposes of s.3(1)(d). This is because vehicle leases are not provided by them but by third party leasing companies. According to Ms Cookson, leasing schemes of the kind at issue were generally known as 'employee benefits', 'perks', 'rewards programmes' or 'membership extras'.

18. On behalf of Total Motion, Mr Wood submitted that the relevant public was comprised of three categories of people and businesses. Firstly, vehicle leasing companies and providers of associated financial services. Secondly, organisations which run vehicle leasing schemes. Thirdly, employees or members of such organisations who benefit from group leasing schemes. According to Mr Wood, the evidence showed that the alleged meaning of 'affinity' and 'affinity leasing' would have been apparent to average consumers in each of these categories at the relevant dates. As to Ms Cookson's submission that such schemes are known by different names and only provided by vehicle leasing companies, Mr Wood pointed out that Leasing had filed no evidence. Therefore, this was mere assertion.

19. The language of s.3(1)(d) covers situations where the sign at issue has become customary *“in the current language or in the bona fide and established practices of the trade”*. The *“trade”* for this purpose covers *“all consumers and end users and, depending on the features of the market concerned, all those in the trade who deal with that product commercially.”*¹⁰ This must include organisations who may offer group savings schemes to their employees or members. For the purposes of article 12(2)(a) of the 2008 EU Directive it appears to be sufficient if the mark has become a common name for the product or service (and therefore lost its distinctive character) to one section of the target public; namely, end consumers.¹¹ If that is sufficient to revoke a trade mark, it would be surprising if the absence of distinctive character so far as a relevant category of the public were concerned was not also sufficient to refuse registration of the mark at the outset. Consequently, I would, if necessary, have found that it would be sufficient if Leasing’s marks had become customary *“in the current language or in the bona fide and established practices of the trade”* to organisations that use vehicle leasing services and associated financial services, irrespective of whether their employees or members would also have regarded the signs at issue as lacking distinctive character.

20. However, I do not find it necessary to go this far. This is because, in my view, the evidence shows that ‘affinity scheme’ and related phrases, such as ‘affinity terms’ and ‘affinity group’ had become customary *“in the current language or in the bona fide and established practices of the trade”* by the relevant dates to (1) operators of car leasing schemes, (2) organisations who were actual or potential users of such schemes, and (3) their employees/members who were actual or potential end users of such arrangements.

21. My reasons for this finding are, firstly, that although the parties disagree about who counts as an average consumer of the services, it is common ground that average consumers of car leasing services will pay an above average degree of attention when selecting a potential service provider. The same applies to associated financial and credit broking services. This makes it more likely that relevant

¹⁰ See, by analogy, *Björnekulla Fruktindustrier AB v Procordia Food AB*, Case C-371/02

¹¹ See, by analogy, *Backaldrin Österreich The Kornspitz Company GmbH v Pfahnl Backmittel GmbH*, Case C-409/12

consumers will notice the terms used in the trade to describe schemes providing access to car leasing deals.

22. Secondly, it seems inherently likely that organisations providing group savings schemes to their employees or members would describe the scheme to them in the same terms used by car leasing companies and/or motor manufacturers. This is consistent with the evidence recorded at paragraph 15(iii), (vi), (x) and (xi) above.

23. Thirdly, as taking up the benefit of such group leasing/purchase schemes is likely to require the individual employee or member to contact the car leasing company or motor manufacturer/dealer to take up the offer, the end user is likely to have to adopt, or at least understand, the terms used by that party to describe the scheme.

24. It is true that 'affinity scheme' means a group saving scheme offered in relation to, inter alia, car leasing and purchasing. It does not mean car leasing (or related financing) as such. Ms Cookson submitted that this meant that, if anything, the term described a promotional service rather than the services in classes 36 and 39 for which Leasing's marks are registered. However, even if Ms Cookson is right about that, it does not prevent s.3(1)(d) from applying. This is because, as the case law makes clear, it is not necessary for the signs to be descriptive of the registered services: such an objection may be based on "*current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered.*" Trading in vehicle leasing services includes promoting the services. Vehicle leasing (contract hire) is a common means of obtaining a vehicle for long term use. It is common knowledge that such arrangements are usually relatively expensive and come with associated finance options. Against this background, Total Motion's evidence is sufficient, in my view, to establish that 'affinity scheme' was in current usage at the relevant dates in trade in vehicle leasing services, and related finance and credit brokerage services.

25. I acknowledge that Leasing's marks are **Affinity** and **Affinity Leasing** rather than 'affinity scheme'. However, the word 'scheme' in 'affinity scheme' is purely descriptive when used in relation to a group savings scheme. An average consumer

who knows what an ‘affinity scheme’ is in the context of the trade in vehicle leasing services would attach the same meaning to ‘affinity’ alone.

26. The word ‘Leasing’ is purely descriptive of leasing services. An average consumer of the vehicle leasing services would therefore understand **Affinity Leasing** as meaning leasing something through an affinity scheme.

27. The financial side of vehicle leasing is part and parcel of the same commercial transaction. Consequently, there is no meaningful distinction to be drawn between, on the one hand, the customary meaning of the sign ‘affinity scheme’ and, on the other hand, the meanings of **Affinity** and **Affinity Leasing** in relation to the financing of vehicle leasing and/or vehicle financing.

28. I therefore find that the registration of Leasing’s marks in relation to the services listed in classes 36 and 39 was contrary to s.3(1)(d) of the Act.

29. In case I am wrong about this, I will also examine the ground for invalidation based on s.3(1)(b) of the Act. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*¹² as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

¹² Case C-265/09 P

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67)."

30. Even if I am wrong to find that there is sufficient evidence to justify the conclusion that 'affinity' had become customary "*in the current language or in the bona fide and established practices of the trade*" in relation to car leasing services (and associated financial services), I find that there is sufficient evidence to show that, at the relevant dates, this term was generally used and understood to designate a kind of group savings scheme. **Affinity** would not therefore have served to identify the registered services in classes 36 and 39 as originating from a particular undertaking. Rather, the sign would have indicated only that such services were available through a group savings scheme. The same applies to **Affinity Leasing**.

31. Consequently, neither mark had any inherent distinctive character at the relevant dates. Therefore, registration of the marks was contrary to s.3(1)(b) of the Act.

32. In the light of these findings there is no need to examine the further ground for invalidation based on s.3(1)(c) of the Act.

33. There is no evidence that the marks had acquired a distinctive character through use prior to the date of the application for invalidation. The applications to invalidate trade marks 3133452 and 3172169 therefore succeed. This means that the marks will be treated as never having been registered.

Leasing's opposition to Total Motion's trade mark application

34. As Leasing's opposition is based solely on earlier mark UK3172169 – **Affinity** – my decision that that trade mark is invalid is sufficient to reject the opposition. However, in case I am wrong about that I will briefly examine the merits of the opposition. This necessarily requires me to assume, contrary to my findings, that UK3172169 is validly registered.

35. Section 5(2)(b) of the Act is 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”.

Identity and similarity of goods/services

36. It is common ground that most of the services in classes 36 and 39 are identical. It is only necessary to examine the case to the extent that this is so.

Average consumer

37. I find that the relevant average consumers for the services in classes 9, 35, 36 and 39 are organisations that actually or potentially use vehicle leasing/rental services and associated financial services, as well as motorists.

38. The relevant average consumer is likely to pay an above average level of attention when selecting a service provider.

Distinctive character of the earlier mark

39. My assumption that the earlier mark is valid does not require me to find that it has a normal level of distinctiveness. Given the evidence showing extensive use of 'affinity scheme' in relation to group savings on car leasing schemes prior to the relevant date for this purpose,¹³ I find that the earlier mark has, at most, a low degree of distinctive character in relation to vehicle leasing/rental services. For the reasons explained above, this finding extends to associated financial services in class 36.

Similarity of marks

40. 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.”

41. Total Motion's mark consists of four words only one of which – AFFINITY – is common to the earlier mark. I accept Mr Wood's submission that the dominant and distinctive element of **TOTAL MOTION AFFINITY SCHEME**, at least in relation to the services in classes 36 and 39, is **TOTAL MOTION**. This is because (1) TOTAL MOTION appears at the beginning of the mark, (2) TOTAL MOTION is not descriptive of any aspect of the services and is therefore distinctive to a normal degree, and (3) AFFINITY SCHEME is, in context, a reference to a type of group savings scheme.

42. According to Ms Cookson, **Affinity** would be understood according to its ordinary dictionary meaning of “natural liking, taste, or inclination for a person of thing.”¹⁵

¹³ Being 1st September 2017, the date that Total Motion's application was filed.

¹⁴ At paragraph 34 of the judgment in Case C-591/12P

However, given the specific meaning of ‘affinity scheme’ shown in the evidence, I do accept that this is the meaning that ‘affinity’ would convey, at least as it appears in Total Motion’s mark.

43. I accept that the meaning of ‘affinity’ is more arguable in the context of the earlier mark. Nevertheless, I find that an average consumer of vehicle leasing and associated financial services is more likely to have seen the word ‘Affinity’ alone as indicating the availability of group savings on car leasing schemes than as meaning “natural liking, taste, or inclination for a person or thing.”

44. Taking these points together, I find that the marks as wholes are visually, aurally and conceptually similar to only a very low degree.

Likelihood of confusion

45. 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

¹⁵ Per Collins English Dictionary

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) 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.

46. Despite the identity of the services in classes 36 and 39, I find that the absence of distinctive similarity between the marks as wholes is sufficient to rule out a likelihood of confusion, including the likelihood of association.

47. The marks are simply too different overall for anyone to mistake one for the other. This remains the case when some allowance is made for imperfect recollection.

48. Leasing's argument is essentially based on indirect confusion: that consumers will see AFFINITY in Total Motion's mark and assume that it indicates a connection with the user of Leasing's mark. In this regard, Ms Cookson relied on the CJEU's judgment in the *Medion* case. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*,¹⁶ Arnold J. considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion v Thomson* and said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole,

¹⁶ [2015] EWHC 1271 (Ch)

and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

49. I have already found that TOTAL MOTION is the dominant and distinctive element of the later mark. I do not accept that AFFINITY alone has an independent significance in Total Motion’s mark, although I accept that AFFINITY SCHEME does. The difficulty with Leasing’s case is that AFFINITY SCHEME does not have an independent distinctive significance in the mark. Therefore, the average consumer’s likely reaction to it will be that TOTAL MOTION is operating an affinity scheme, not that Total Motion is connected with Leasing.

50. In its notice of opposition Leasing stated that, following an article in a publication called Fleet News in which Total Motion used the mark **TOTAL MOTION AFFINITY**, one of its customers asked about Leasing’s relationship with Total Motion. The grounds of opposition were signed by Leasing’s CEO, Mr Simon Howles, and were the subject of a statement of truth. There was some discussion at the hearing as to the weight (if any) which could be attached to such a statement in the absence of a

conventional witness statement, affidavit etc.¹⁷ In my view, no weight can be attached to this statement. The problem is not so much that Mr Howles' statement appears in the grounds of opposition themselves rather than in a supporting witness statement. The main problem is that the statement lacks particulars. Who contacted Leasing and when? Who did the customer speak to? What did they say? What exactly had they seen which prompted them to make this approach? If they thought that Affinity was associated with Leasing, why did they think that? The last point is particularly important in circumstances where Leasing has claimed to have been using **Affinity** and **Affinity Leasing** since 2000, but has chosen not to file evidence showing the context in which it has been using these marks, or on what scale, or where, or in relation to which specific services. For example, if it has been using the marks descriptively to promote vehicle leasing services via affinity group savings schemes, the claimed reaction of one of its (unnamed) customers to the use of **TOTAL MOTION AFFINITY** clearly could not be accepted as representative of the likely reaction of an average consumer to the mark **TOTAL MOTION AFFINITY SCHEME**.

51. I find that Leasing has not made out its case that there was a likelihood of indirect confusion at the relevant date, even where identical services in classes 36 and 39 are concerned. It follows that the same applies where the respective goods/services are only similar. Consequently, the opposition would have failed even if Leasing's earlier marks had survived the invalidation proceedings.

Outcome

52. Trade mark UK3172169 is invalid and its registration will be cancelled with effect from 30th June 2016.

53. Trade mark UK3133452 is invalid and its registration will be cancelled with effect from 27th October 2015.

¹⁷ A similar point arose in relation to statements in Leasing's counterstatements in the invalidation proceedings in which it claimed that it, or its predecessor in business, had been using AFFINITY and AFFINITY LEASING since 2000.

54. Leasing's opposition to trade mark 3254067 fails. This mark will be registered.

Costs

55. Total Motion has been successful and is entitled to a contribution towards its costs. Mr Wood asked for off-scale costs on the basis that Leasing had acted unreasonably in continuing to defend its trade marks/oppose Total Motion's application after receiving evidence showing the widespread use of AFFINITY by third parties in relation to affinity group savings schemes.

56. Ms Cookson submitted that Leasing had not acted unreasonably. It had been using its marks and was entitled to defend them. Leasing's decision to be represented at the hearing indicated that it believed in its case, despite not having filed any evidence as such. Therefore, this was not a case where Leasing had refused to give up a hopeless case just to put Total Motion to incur additional and unnecessary costs.

57. I accept Ms Cookson's submission on costs. I therefore calculate Leasing's contribution to Total Motion's costs on-scale and as follows:

- (i) £400 for official fees for 2 x TM26(I);
- (ii) £600 towards the costs of preparing two applications for invalidation, one counterstatement and reviewing Leasing's notice of opposition and counterstatements;
- (iii) £800 towards the cost of preparing evidence;
- (iv) £800 towards the cost of the hearing.

58. I order Affinity Leasing Limited to pay Total Motion Limited the sum of £2600. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 28th day of November 2018

**Allan James
For the Registrar**