BLO/857/21

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NO. UK00003394691
IN THE NAME OF MARSTON (HOLDINGS) LIMITED
AND AN APPLICATION FOR A DECLARATION OF INVALIDITY NO. 503264
BYAPCOA PARKING HOLDINGS GMBH

DECISION

---

1. This was an application for cancellation of the following mark in the name of the Proprietor, Marston (Holdings) Limited ("Marston"), in classes 9, 35, 36, 37, 38, 39, 41, 42 and 45:

2. The application was based upon section 5(2)(b) of the Act and relies on the following trade marks in the name of the Applicant, APCOA Parking Holdings GmbH ("APCOA"):

EUTM 178836051 FLOW ("the Applicant's first mark");

("the Applicant's second mark")

3. The Applicant's goods and services were set out in Annex 2 of the decision of the Hearing Officer, Mr Arran Cooper, dated 22 July 2021 ("the Decision").

4. The Hearing Officer upheld some of the objections to Marston's mark. In particular, he found that there was a likelihood of indirect confusion in relation to all goods and services which he found to be similar to a medium degree and above. He set out these goods and services at the end of the Decision.

5. Both parties appeal. Marston contends that none of its goods and services should have been cancelled. APCOA urges me to reconsider the Hearing Officer's findings on the similarity of the goods and services and to cut down Marston's mark further.

6. At the hearing held virtually on 8 November 2021, Marston was represented by Michael Edenborough QC instructed by AA Thornton & Co and APCOA by Nigel Parnell of Laytons LLP. I am grateful to both of them for the clarity of their submissions.

Standard of Appeal

7. There was no dispute as to this and the principles are well established. See the decision of Daniel Alexander QC, sitting as the Appointed Person, in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [52]. See also in the context of appeals under s.5(2) Ian Purvis QC, sitting as the Appointed Person, in ROCHESTER Trade Mark (O-079-17) at [33]-[34].

Marston's Appeal

8. Mr Edenborough divided his submissions into five separate points, the first three being alleged errors of law, and the last two instances where he suggested the Hearing Officer had gone wrong. I will deal with them in the order in which they were presented to me.

Mode of Selection

9. First, Marston submitted that the Hearing Officer had made an error of law in failing to apply his own findings in relation to the mode of selection of the respective goods and services. Mr Edenborough highlighted the finding in [111] of the Decision, namely that the mode of selection is likely to vary across the range of goods and services. He submitted that the Hearing Officer failed to apply that finding when he turned to the question of indirect confusion in [137] and [138].

10. I do not accept that criticism. In my judgment the Hearing Officer plainly had the selection point in mind when he reached his conclusions on indirect confusion. I have already referred to his observations in [111]. In [112] he expressly discussed the level of attention paid during the selection process, depending on the specific goods and services in issue. He returned to the question of selection at the end of [137] where he stated that he considered that there was a likelihood of indirect confusion for goods and services found similar to a medium degree "*even in instances where the average consumer may pay a higher degree of attention during the selection process.*" He made the converse point in [138] where he concluded

that there was no likelihood of confusion for goods and services which were similar to a low or very low degree "*even where the average consumer pays a lower than average degree of attention*."

11. Mr Edenborough submitted that this only amounted to consideration of the mode of selection as it applied to the comparison of the marks. However, Mr Parnell pointed to [131] (in the same Likelihood of Confusion section of the Decision) where the Hearing Officer had referred to the mode of selection for some goods being primarily visual, but for others, both visual and aural. This confirms that the Hearing Officer did have the point about different modes of selection for different goods specifically in mind when he came to formulate his conclusions. Mr Edenborough suggested that even though the point was referred to by the Hearing Officer at [131], this was in the context of direct confusion and his failure to repeat it in respect of indirect confusion amounted to an error. I reject this criticism – the Decision was long and detailed enough as it was, and it is improbable that the Hearing Officer had the point in mind when he wrote [131] but not [137] and [138].

12. I therefore reject the first point.

Meric

13. Marston's second ground focused on the Hearing Officer's application of a principle derived from *Meric* (*Gérard Meric v OHIM* Case T-133/05, ECLI:EU:T:2006:247) regarding the identicality of overlapping specifications. The Hearing Officer summarised this in [16] as follows: "*even if good or services are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa*".

14. Mr Edenborough took a preliminary point in relation to this, namely that as *Meric* was a General Court case concerning the Regulation and not the Directive, it was not binding on the Registrar. I do not consider there is anything in this point. The Hearing Officer noted the submission and also cross-referred to point 1.2 in the Tribunal Section of the Manual of Trade Mark Practice which refers to the retained nature of "*the case law of the Court of Justice of the European Union (including the General Court)*". Mr Edenborough criticised this but the Manual appears to be correct. The combined effect of section 6 of The European Union (Withdrawal) Act 2018, The European Union (Withdrawal) Act 2018 (Relevant Court) (Retained EU Case Law) Regulations 2020 and the definition of "European Court" in The Interpretation Act 1978 appears to treat prior General Court cases as precedential

in value, because the General Court is part of the Court of Justice as defined in Article 19 of the Treaty of the European Union.

15. In any event I do not consider that the Hearing Officer erred in his treatment of the *Meric* case, whether in terms of its precedence or the application of its principles. He was entitled to adopt its approach, whether strictly binding or not, and I note that it has been applied in other Courts in this jurisdiction, namely by Arnold J. in *Apple Inc v Arcadia Trading Ltd*, [2017] F.S.R. 40 where he said as follows:

> 17. Thirdly, counsel for Apple pointed out that neither the expression "smartphones in the shape of a watch" nor the term "smart watch" appeared in the specification of goods in class 9 in the application and argued that the hearing officer was wrong to proceed on the basis that the broad terms of the specification of goods set out in [2] above covered such goods.
>
> 18. This argument is legally erroneous. It is well established that, in order for a trade mark to be registrable in respect of a category of goods, it must be free from objection on absolute or relative grounds with respect to any goods falling with that category. If authority is needed for this proposition, it is sufficient to refer to one cited by counsel for Apple himself, *Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (T-133/05) EU:T:2006:247* at [29]:
>
> > "In addition, the 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 (Case T-388/00 *Institutfiir Lemsysteme v OHIM - Educational Services (ELS) [2002] ECR II-4301* , paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM - Petit Liberto (Fifties) [2002] ECR II-4359* , paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM - France Distribution (HUBERT) [2002] ECR II-5275* , paragraphs 43 and 44; and Case T-10/03 *Kouhi v OHIM - Flabesa (CONFORFLEX) [2004] ECR II-719* , paragraphs 41 and 42)."
>
> Although this statement is concerned with objections on relative grounds, the same principle applies to objections on absolute grounds.

16. Mr Edenborough's real complaint was in relation to the way in which the Hearing Officer had applied the principle from *Meric*. The Hearing Officer dealt with it as follows. Having summarised Marston's submissions on the application of *Meric*, he referred to Tribunal Practice Note 1/2012 which gives guidance at [3.3.2(b)-(d)] as to how to deal with overlapping specifications. In short, Hearing Officers are invited

to adopt one or more of the following options, namely simple deletion of overlapping specifications, the use of a "save for" designation or the substitution of the overlapping specifications with a revised description in the Hearing Officer's own words, upon which the parties are invited to comment. In relation to this third option, the Note explains:

> Generally speaking, the narrower the scope of the objection is to the broad term(s), compared to the range of goods/services covered by it, the more necessary it will be for the Hearing Officer to propose a revised specification of goods/services. Conversely, where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal.

17. The Hearing Officer expressly applied this guidance, and explained in [21]:

> It is important to bear in mind that the above only applies insofar as any proposed amendment is clear and avoids a likelihood of confusion between the goods or services, in the event that such a likelihood does exist. Further, I bear in mind paragraph (d) above in that it may be disproportionate to embark on formulating proposals which are unlikely to result in a narrow specification of any substance. Finally, it is necessary to point out that it is not the purpose of this decision to forensically dissect and amend any specification to the point where no likelihood of confusion exists. Any assessment reliant upon TPN 1/2012 cannot be made until the conclusion of this decision, therefore, where necessary I will address this point in my final remarks below.

18. Mr Edenbough's complaint was as follows. He suggested that the Hearing Officer had wrongly compared the goods and services, and that where there was an earlier specific subset registered for APCOA but a more general category of goods for Marston, the Hearing Officer should have parsed out those goods in the later category that were merely similar. He used the example of an earlier registration for "golf clubs" and a later one for "sports equipment", pointing out that a "discus" within the latter category was far removed from "golf clubs".

19. Mr Edenborough said that the Hearing Officer applied *Meric* on numerous occasions during his comparison of goods/services. He invited me to go through the Decision using a word search for *Meric* to identify them. I have done so and it is clear from the Hearing Officer's comprehensive comparison of goods and services that he had

the above principles in mind. Thus in [50], having come to the conclusion that the goods were identical under the principle in *Meric*, he continued:

> I have given consideration as to whether it is possible to utilise TPN 1/2012. However, even if I were to propose a 'save for' provision or propose alternate wording to the proprietor's term, for example 'save for services relating to the management of car parking spaces' I still consider there to be a level of similarity between these services. This is on the basis that there will remain a general overlap in nature, method of use and trade channels between them as both would still remain advertising and marketing services, albeit for different purposes.

20. He also referred to TPN 1/2012 in [68] and [106].

21. I asked Mr Edenborough to point me towards the best examples of where he submitted the Hearing Officer had gone wrong in applying the *Meric* principle. He referred me to the comparison dealt with by the Hearing Officer in [69] onwards where he discussed Marston's registration for "transportation services" and compared that with APCOA's earlier mark for "shuttle services". He found that shuttle services, amongst others, were identical to transportation services and that other services the subject of APCOA's earlier registrations were similar to a high degree.

22. Mr Edenborough suggested that the Hearing Officer should have allowed Marston's registration to continue for "transport services, save for shuttle services". However, this would be to ignore the overlap for other identical services to "shuttle services" found in [69]-[71] (which cited APCOA's additional "transport and traffic logistics, in particular operation and control of traffic and parking guidance systems for moving and stationary traffic", "taxi management" and Marston's "airport transfers", "inter-terminal and inter-airport transfer of passengers and baggage", "transportation, inter-terminal and airport transfer of air crew and baggage", "corporate hospitality travel and transfer services", "passenger and baggage transportation services", "traveller transportation services", "the provision of coach, bus and taxi services", "specialist and private coach, bus and taxi hire services" and "escort of passengers") and Marston's similar services "arranging of tours and of travel" in [72].

23. It seems to me that this is a good example of the point made in the Manual whereby where invalidation is successful against a range of goods/services covered by a broad term or terms, it would be disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance.

24. Mr Edenborough also referred to the comparison in [53] where the Hearing Officer held that "electronic toll collection" in Marston's application fell within the broader term "electronic payment services" in APCOA's registration. I fail to see any error in this conclusion.

25. Accordingly, I do not consider Mr Edenborough's criticisms to be fair. The Hearing Officer's overall conclusion (that all goods and services similar to medium degree and above were objectionable) means that it was not necessary for him to attempt to parse the relevant goods and services except where necessary to distinguish either side of that line. Even then the exercise must remain proportionate. I am not convinced that there is any relevant error inherent in Mr Edenborough's best example, nor any of the other points he referred to, nor any of the other comparisons made by the Hearing Officer where he applied the same principle. Accordingly I dismiss this ground of appeal.

Indirect Confusion

26. Marston's final point amounted to an attack on the Hearing Officer's reliance on indirect confusion at all. Mr Edenborough referred me to the recent judgment of Arnold LJ in *Liverpool Gin Distillery v Sazerac Brands LLC* [2021] EWCA Civ 1207. This was handed down after the Decision but prior to Marston's TM55P Notice of Appeal in the present case. In that decision Arnold LJ explained at [13]:

> 13. As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.

27. In other words, the notion of indirect confusion should be kept in its proper place.

28. Mr Edenborough went on to submit that there was no proper basis for the Hearing Officer to conclude that there was a likelihood of indirect confusion in the present case. He suggested that the Hearing Officer had allowed the doctrine to reach beyond its proper bounds.

29. Whilst it is right that findings of indirect confusion are by definition more likely to be near to the boundary in cases where reasonable tribunals may differ, I do not consider that the Hearing Officer was wrong in the present case. I consider that it

was certainly open to him to consider at 137 that "*the addition of the word 'FREE' will be seen as a non-distinctive one that the average consumer would expect to see in a sub-brand or brand extension.*" He gave the example in the previous paragraph of parking services that might be provided "free" at a certain time e.g. overnight.

30. The Hearing Officer had earlier cited the examples given by Iain Purvis QC in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 at [17(b)] where he referred to terms such as "LITE", "EXPRESS", "WORLDWIDE" and "MINI". He noted that such examples were intended to be illustrative rather than exhaustive. I consider that "FREE" is another word that could fall within the same class of terms.

31. In my view the Hearing Officer was therefore entitled to conclude that the addition of FREE to FLOW in the present case could be seen as a sub-brand or brand extension by the average consumer indicating a "free" version of an existing good or service, and that this applied to both of APCOA's marks. Accordingly, I reject this third ground.

Descriptiveness of FLOW

32. I turn now to the final two points, where it was alleged that the Hearing Officer had gone wrong.

33. First it was alleged that the Hearing Officer was wrong in his findings as to descriptiveness of the use of the word FLOW in relation to APCOA's registrations. Mr Edenborough suggested that the word FLOW would be seen as alluding to traffic related goods and services. Therefore, the Hearing Officer should not have found as he did in [124] that the word FLOW had no allusive or descriptive qualities. It was suggested that at least for the traffic related goods and services the Hearing Officer should have found the marks to be less distinctive.

34. I disagree. Although it is right to say that on occasion the word FLOW could be used in relation to traffic per se – "the traffic is flowing well along the North Circular this morning" – it is necessary to have the specific goods and services in the specifications in mind. Traffic per se is not of course the subject of any registration. Further it does not appear to me that the word FLOW has sufficient allusiveness to any of the characteristics of the goods and services themselves to justify a dilution in distinctiveness which would allow the conclusion that the Hearing Officer was wrong.

Graphic Element

35. Finally, Mr Edenborough submitted on behalf of Marston that the Hearing Officer had erred in his assessment of the graphic element. He submitted that the graphic at the start of EUTM 17770124 would be seen as an "F" and thereby pronounced "F FLOW":

36. He therefore submitted that the Hearing Officer had erred in concluding that the marks differed visually to a medium degree (word marks) or a low to medium degree (figurative marks). It was suggested that the Hearing Officer had effectively ignored the differences between the graphic elements.

37. Again, I reject this criticism. For one, I had not perceived the graphic element part of EUTM 17770124 as representing the letter F in such a way that it would be pronounced F FLOW, and I do not think that this would be the approach of the average consumer.

38. I consider that the Hearing Officer was fully entitled to come to the conclusion that he did regarding the impact of the respective graphic elements. He dealt with the issue at some length at [118]-[123]. Marston's appeal is no more than an attempt to get me to substitute my views for those of an experienced Hearing Officer. I am unwilling to do so and reject this ground of appeal also.

39. Finally, I should note that as a result of my findings that the Hearing Officer was correct, nothing turns on any differences between the APCOA marks relied on and their status following the UK's departure from the EU. Accordingly, I do not need to deal with this further point and the potential impact of TPN 1 of 2021.

APCOA's Appeal

40. APCOA's Appeal amounts to a detailed attempt to review the Hearing Officer's comparison of goods and services. To take the first point in the Grounds of Appeal by way of example, in Class 9 it is suggested that he should have found "digital cameras that generate data when recording" to be identical or similar to a high degree to "devices for automated parking checks and number plate recognition".

41. Mr Parnell did not spend much time on his appeal at the hearing. I do not criticise him for that – the Grounds of Appeal were very detailed.

42. I have been through the paragraphs in the Grounds of Appeal carefully and considered all the alleged criticisms. Like Marston's last two grounds, APCOA's appeal amounts to an attempt to substitute my view for those of the Hearing Officer's. For each of the comparisons made by the Hearing Officer, I consider that he was entitled to come to the conclusion he did. I also bear in mind the observations in the ROCHESTER case to which I have referred above. It will be apparent from the commentary I have provided that I consider the Hearing Officer's Decision to have been comprehensive and detailed. I therefore reject APCOA's attempts to overturn the findings of the Hearing Officer in this way.

Costs

43. Like the Hearing Officer, I consider the result of this hearing to be a draw (albeit a no-score draw compared to the Hearing Officer's score-draw). Like the Hearing Officer, I suggest that the fairest outcome in the light of my conclusions dismissing both appeals is to make no order as to costs.

Thomas Mitcheson QC
The Appointed Person
23rd November 2021