

BL O/0226/25

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK APPLICATION NUMBER NO. UK00003936817

BY ROBERT ANDREW MULHOLLAND

TO REGISTER THE FOLLOWING TRADE MARK:

XL Compass

IN CLASS 35

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NUMBER NO. 444067

BY COMPASS BANCA S.P.A.

Background and pleadings

1. On 22 July 2023, Robert Andrew Mulholland (“***the Applicant***”) applied to register in the UK the trade mark shown on the cover page of this decision, under number UK00003936817 (“***the Contested Mark***”). It was accepted and details of the application were published for opposition purposes in the Trade Marks Journal on 11 August 2023 in respect of the following services:

Class 35: Assessment analysis relating to business management; Business analysis; Consultancy regarding business organisation and business economics; Business appraisal; Business organization and operation consultancy.

2. On 10 November 2023, COMPASS BANCA S.p.A., (“***the Opponent***”) filed a notice of opposition, opposing the application in full under section 5(2)(b) of the Trade Marks Act 1994 (“***the Act***”). The Opponent relies upon the following trade mark registrations (“***the Earlier Marks***”):



1) First Earlier Mark:

UK registration number: 917950720

Filing date: 5 September 2018

Registration date: 5 February 2019

Services relied upon:

Class 35 Providing of advertising and commercial information via the internet, acquisition of commercial information; Electronic commerce services, namely, providing information about products via telecommunication networks for advertising and sales purposes; Providing business information, also via internet, the cable network or other forms of data transfer.

2) Second Earlier Mark: COMPASS FOR BUSINESS

UK registration number: 918034135

Filing date: 11 March 2019

Registration date: 25 September 2019

Services relied upon:

Class 35: Business management consultancy services; Business consulting; Risk management consultancy [business]; Business management and organization consultancy; Acquisition and merger consultation services; Taxation [accountancy] consultation; Business management consulting; Advertising and commercial information via the internet; Acquisition of commercial information; Electronic commerce services, namely, providing information about products via telecommunication networks for advertising and sales purposes; Providing business information, also via internet, the cable network or other forms of data transfer.

3. The Opponent's registrations are comparable marks.¹ By virtue of their respective earlier filing dates, the Earlier Marks qualify as earlier marks under section 6(1) of the Act. As the Earlier Marks had not completed their registration process more than five years before the filing date of the application in issue, they are not subject to the use conditions under section 6A of the Act. The Opponent can, therefore, rely upon all of the services it has identified without having to demonstrate use.
4. In its notice of opposition, the Opponent states that due to the visual, aural, and conceptual high similarity between the marks and the identity and high similarity between the class 35 services covered by the respective marks, there exists a

¹ Following the end of the transition period of the UK's withdrawal from the EU, all EU trade marks ("EUTM") registered before 1 January 2021 were recorded as comparable trade marks in the UK trade mark register (and as a consequence, have the same legal status as if they had been applied for and registered under UK law). A 'comparable trade mark (EU)' retains the same filing date, priority date (if applicable) and registration date of the EUTM from which it derives.

likelihood of confusion on the part of the public which includes a likelihood of association.

5. The Applicant filed a defence and counterstatement denying the grounds of opposition and submitting that the marks are different (especially conceptually) and that the competing services are substantially different.
6. The Applicant is legally unrepresented. The Opponent is represented by Barker Brettell LLP.

Relevance of EU law

7. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Evidence and submissions

8. The Opponent did not file evidence or submissions. During the evidence rounds, the Applicant filed evidence in the form of a witness statement from Mr Robert Andrew Mulholland, dated 29 March 2024, and Exhibits RM1 – RM2. Neither party requested a hearing nor filed written submissions in lieu. The evidence and submissions will not be summarised here but will be referred to as and where appropriate during this decision. This decision is taken following a careful perusal of the papers.

Preliminary Issues

9. In his counterstatement, the Applicant reported that from an image search via Google, carried out by the Applicant, it would appear that “Compass” is not in use as a registered mark. The Applicant also submitted that his Google search provided 644 million hits for the word “Compass”, showing that this word is not distinctive for a brand.

10. Firstly, whilst I acknowledge the Applicant's submission, I note that, as stated above in this decision, the Earlier Mark has not been registered for more than five years, therefore the Opponent is entitled to rely upon all of the services identified for the purposes of this opposition without provide evidence of genuine use.
11. Secondly, I am unable to rely on the Applicant's Google search to assess the Earlier Marks' inherent distinctive character (or lack thereof) because the Applicant did not submit any evidence showing that "Compass" is commonly used in the market for the services at hand. The decision I am required to make is based on a notional assessment of the likelihood of confusion and the mere presence of "Compass" marks in the market (or as registered trade marks in the UK register) is not evidence of how many of such trade marks are in fact used in the market, nor does it clarify whether consumers have or have not been confused by the presence of such marks.²
12. The Applicant continues in his counterstatement arguing that *"this opposition is from a North Italy-based bank that does not operate in the UK; only in Italy. [...] therefore we have no consumers in common that could possibly compare or confuse our marks"*. I note the Applicant's submission, however the Earlier Marks are national rights which cover the entirety of the UK. Even if it was established that the Opponent only trades in Italy, the Earlier Marks are not subject to the use conditions, thus, for the purposes of this opposition, that would not be sufficient to prevent a finding of a likelihood of confusion for the UK territory.

Decision

Section 5(2)(b)

13. Sections 5(2)(b) of the Act is as follows:

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

(a) [...]

² Zero Industry Srl v OHIM, Case T-400/06.

(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.”

14. Section 5A reads:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

15. 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.

(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 might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of services

16. When making the comparison, all relevant factors relating to the goods (or services) in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be

taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

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

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

16. In *Gérard Meric v OHIM*, Case T- 133/05, the General Court (“GC”) stated that:

“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 trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM* – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

17. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-325/06, the General Court stated that “complementary” means:

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

18. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“[...] Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks)* (*IP TRANSLATOR*) [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

19. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term ‘computer software’. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

“...the applicable principles of interpretation are as follows: (1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services. (2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms. (3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers. (4) A term which cannot be interpreted is to be disregarded.”

18. In *Avnet Incorporated v Isoact Limited* [1998] FSR 16, Jacob J (as he then was) said at [19]:

“[...] definitions of services ... are inherently less precise than specifications of goods. [...]

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

20. For the purposes of considering the issue of similarity it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way and for the same reasons.³

19. The competing services are as follows:

Opponent's services	Applicant's services
<i>“First Earlier Mark”</i>	
<u>Class 35</u>	<u>Class 35</u>
Providing of advertising and Commercial information via the internet, acquisition of commercial information; Electronic commerce services, namely, providing information about products via telecommunication networks for advertising and sales purposes; Providing business information, also Via internet, the cable network or other forms of data transfer.	Assessment analysis relating to business management; Business analysis; Consultancy regarding business organisation and business economics; Business appraisal; Business organization and operation consultancy.
<i>“Second Earlier Mark”</i>	

³ See *Separode Trade Mark* (BL O/399/10) and *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ETMR 35 at paragraphs 30 to 38.

<u>Class 35</u>	<u>Class 35</u>
Business management consultancy services; Business consulting; Risk management consultancy [business]; Business management and organization consultancy; Acquisition and merger consultation services; Taxation [accountancy] consultation; Business management consulting; Advertising and commercial information via the internet; Acquisition of commercial information; Electronic commerce services, namely, providing information about products via telecommunication networks for advertising and sales purposes; Providing business information, also via internet, the cable network or other forms of data transfer.	Assessment analysis relating to business management; Business analysis; Consultancy regarding business organisation and business economics; Business appraisal; Business organization and operation consultancy

“First Earlier Mark”

20. The Applicant provided submissions and evidence detailing the nature of the services he provides (i.e., AI-Empowered Toolkit of delivery and method playbooks used in the context of UK-based B2B interim project delivery and resilience consulting). The Applicant also submitted that the Opponent appears to offer banking services, thus, the competing services are not similar in nature, intended purpose, method of use, do not share the same end users, are neither complementary nor in competition. With regard to the interpretation of the parties' services, following the case law cited above, words used in lists of services should be given their ordinary and natural meanings and must be interpreted avoiding a

too wide or narrow interpretation. I find that the Applicant's services can be divided into two categories: 'business analysis' and 'business consultancy' services.

21. In its statement of grounds, the Opponent contended that: *"The Opponent's earlier registration covers services relating to the provision of business information in class 35, which are similar in nature and purpose to the class 35 services covered by the application as all of the services relate to business management, organisation and administration"* and *"The Opponent's earlier registration covers services in class 35, such as 'business management and organization consultancy' and 'business consulting, which are identical in some instances and highly similar in other instances to the class 35 services covered by the application"*.

22. Whilst I acknowledge the Opponent's submissions, it did not provide me with a particularised assessment of all the competing services' level of similarity. Therefore, I will proceed to make my own comparison as follows.

Class 35

- *"Assessment analysis relating to business management; Business analysis; Business appraisal"*

23. Business analysis is generally aimed at defining the company's needs and recommending solutions that improve the business' value. The services above share the same nature of the Opponent's *"Providing business information, also Via internet, the cable network or other forms of data transfer"* being all related to business. However, I note the competing services differ insofar the Applicant's services consist of business analysis, whilst the Opponent's services are provision of business information. I also find both services address the same users (businesses), have the same intended purpose (support business management) and can share the same trade channels. The services are not complementary, but I do not exclude some level of competition. Overall, I find these services to be similar to a medium degree.

- *"Consultancy regarding business organisation and business economics; Business organization and operation consultancy"*

24. Business consultancy generally consists of independent and expert advice for organisations to improve their performance. Normally, business consultancy encompasses the provision of information regarding the business. I shall compare the services above to the Opponent's *"Providing business information, also Via internet, the cable network or other forms of data transfer"*. I find they share the same nature (i.e., services tailored for business delivery) even though the Applicant's services are consultancy and the Opponent's ones are provision of information. The respective services also share the same intended purpose (support business management), end users (businesses) and trade channels. They are not complementary, but I do not exclude a certain level of competition. Overall, the services are similar to a medium degree.

"Second Earlier Mark"

Class 35

- *"Assessment analysis relating to business management; Business analysis; Business appraisal"*

25. According to the definition in paragraph 23 above, the Applicant's business analysis services fall within the Opponent's wider definition of *"Business management and organization consultancy"*. Thus, they are identical. In case I am mistaken, I find the respective services to be highly similar since 'business analysis' and 'consultancy in business organisation' are part of the same service: carrying out an analysis of the business and provide business management directions (i.e., consultancy) to improve the business' value. Therefore, the competing services share the same nature (services relating to business), intended purpose (support in business management), end users (businesses), and trade channels. They are not in competition, but I do not exclude some level of competition.

- *"Consultancy regarding business organisation and business economics; Business organization and operation consultancy"*

26. The Applicant's services above fall within the wider category of the Opponent's "*Business management and organization consultancy*". Therefore, the competing services are identical in line with the principle outlined in *Meric*. Even if I am wrong about this, the competing services would be found to be at least highly similar for the same reasons set out above in paragraph 25.

The average consumer and the nature of the purchasing act

27. It is necessary for me to determine who the average consumer is for the services in question; I must then determine the manner in which the services are likely to be selected by the average consumer in the course of trade.

28. 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 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:

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

29. Due to the nature and purpose of the services at issue, I consider the average consumers of such services to be business users. While the services are available to the general public, the majority of consumers are likely to be companies requiring business analysis as well as organisation and operation consultancy for their business. The cost of the services in question is likely to vary, as will the frequency of purchase. The average consumer would want to ensure that the

services they purchase will be provided professionally and will meet their particular business needs. Accordingly, the relevant consumers will take various factors into consideration such as the nature of the services, cost, the reputational standing of the provider and the suitability of the services for their specific needs. As the average consumer is a business, they are likely to pay a higher degree of attention due to the potential impact of the services on their company's reputation. It is my view that the level of attention paid during the purchasing process for the services will be relatively high (but not the highest).

30. In my view, the purchasing process for these services would predominantly be visual in nature; they are likely to be purchased after viewing information on the internet, in advertising or brochures. However, I cannot discount aural considerations such as word of mouth recommendations or consultations.

Comparison of the marks

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

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

32. It would be wrong, therefore, to dissect the trade marks artificially, 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.

33. The respective trade marks are shown below:

Applicant's mark	Opponent's marks
XL Compass	 COMPASS <i>("First Earlier Mark")</i>
	COMPASS FOR BUSINESS <i>("Second Earlier Mark")</i>

Overall impression

34. In the Contested Mark the word combination 'XL Compass' can be understood as meaning 'extra large compass' or 'excel compass'. Whilst 'XL', in its both meaning, has a more laudatory nature, 'Compass' does not have a clear semantic correlation with the Applicant's services. Thus, I consider that each individual word retains its own meaning within the mark and 'Compass' will be viewed as the primary indicator of origin and will dominate the overall impression of the mark.

35. The First Earlier Mark consists of the all-capitalised word 'COMPASS' and a small logo, placed at the beginning of the mark, representing a minimal stylisation of a white compass (resembling a sextant) inscribed into a red rectangular. Taking into consideration that the consumer's eye is naturally drawn to the elements of the

mark that can be read (i.e., 'COMPASS')⁴ and given the logo's size, the figurative device makes very little contribution to the mark's overall impression. The word 'COMPASS' is the most dominant element of the mark.

36. In the Second Earlier Mark the overall impression resides in the words "COMPASS FOR BUSINESS" of which it is composed. I am of the view that in the context of the services at issue, 'FOR BUSINESS' will be seen as descriptive. Therefore, the distinctive character resides in the mark as a whole without any word dominating, but with 'FOR BUSINESS' being descriptive of the services.

Visual similarity

"First Earlier Mark"

37. The Contested Mark is comprised of the capitalised letters 'XL' and the seven-letter word 'Compass' presented in a standard typeface without stylisation. The First Earlier Mark consists of the all-capitalised word 'COMPASS' and the stylised representation of a white compass contained in a small red rectangular placed at the beginning of the mark (i.e., on the mark's left-hand side). The two marks overlap in the word 'Compass' and differ, respectively, in the letter combination 'XL' placed at the beginning of the Contested Mark and the small logo in the First Earlier Mark. Given the respective marks share the identical word 'Compass' and taking into consideration the marks' overall impression, I find the marks have a high degree of visual similarity.

"Second Earlier Mark"

38. The Second Earlier Mark consists of three words for a total of eighteen letters. The Second Earlier mark is longer than the Contested Mark especially due to the addition of the eight-letter long word 'BUSINESS' at the end of the mark. The competing marks overlap in their first word 'Compass'. UK consumers read from left to right.

⁴ *MigrosGenossenschafts-Bund v EUIPO*, T-189/16, [52].

39. In *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, the GC noted that the beginnings of words tend to have more visual and aural impact than the ends and I find that to be the case here. The court stated:

“81. It is clear that visually the similarities between the word marks MUNDICOLOR and the mark applied for, MUNDICOR, are very pronounced. As was pointed out by the Board of Appeal, the only visual difference between the signs is in the additional letters ‘lo’ which characterise the earlier marks and which are, however, preceded in those marks by six letters placed in the same position as in the mark MUNDICOR and followed by the letter ‘r’, which is also the final letter of the mark applied for. Given that, as the Opposition Division and the Board of Appeal rightly held, the consumer normally attaches more importance to the first part of words, the presence of the same root ‘mundico’ in the opposing signs gives rise to a strong visual similarity, which is, moreover, reinforced by the presence of the letter ‘r’ at the end of the two signs. Given those similarities, the applicant’s argument based on the difference in length of the opposing signs is insufficient to dispel the existence of a strong visual similarity.

82. As regards aural characteristics, it should be noted first that all eight letters of the mark MUNDICOR are included in the MUNDICOLOR marks.

83. Second, the first two syllables of the opposing signs forming the prefix ‘mundi’ are the same. In that respect, it should again be emphasised that the attention of the consumer is usually directed to the beginning of the word. Those features make the sound very similar.⁵

40. Overall, I consider that there is a medium degree of visual similarity between the marks.

Aural similarity

“First Earlier Mark”

⁵ For similar case law on this principle see, *inter alia*, *Sport Eybl & Sports Experts v OHIM* (Case T-179/11) and *Gappol v EUIPO* (Case T-411/15).

41. The Contested Mark is formed by the letter combination 'XL' and the two-syllable word 'compass'. The relevant consumers will not pronounce the two letters together, but they will voice each letter individually (i.e., 'ex' and 'el') with the resulting sound being similar to the word 'excel', irrespective of the meaning they attach to this letter combination. The word 'compass' is an English dictionary word and it will be voiced accordingly.
42. Consumers will read the First Earlier Mark as the dictionary word 'compass'. They will not attempt to articulate the device element.
43. The marks differ in their beginnings (the additional 'XL' in the Contested Mark) and the consumers will voice 'XL' separating the two letters' sounds (i.e., 'ex' – 'el') creating a longer sound than just two consonants conjoined and resembling the word 'excel'. This will result in a longer pronunciation for this mark than the First Earlier Mark. The marks coincide in the word 'compass' which is the only verbal component that will be pronounced in the First Earlier Mark. Thus, overall, I find the marks have a lower than high aural similarity.
44. Turning to the Second Earlier Mark, this comprises three English dictionary words construed in a syntactically correct manner. Consumers will voice them accordingly. The Second Earlier Mark is longer than the Contested Mark, however, the marks coincide in the word 'compass' placed at the beginning of both marks. Overall, I find the marks have a medium aural similarity.

Conceptual similarity

"First Earlier Mark"

45. The Contested Mark features the letter combination 'XL' and the word 'compass'. In its statement of grounds, the Opponent contended that 'XL' is a well-known abbreviation of the term 'extra large'. The Applicant submitted that 'XL' is an abbreviation of 'excel' and submitted a series of meanings for this:⁶

"to be exceptionally good, be excellent, be brilliant, be outstanding, be skilful, be talented, be proficient, be expert, be pre-eminent, stand out, be the best, be

⁶ Witness statement of Robert Andrew Mulholland, dated 29 March 2024, [4].

unrivalled, be unparalleled, be unequalled, be without equal, be second to none, be unsurpassed”.

46. The Collins dictionary defines ‘XL’ as the symbol for ‘extra large’,⁷ therefore I find that a significant proportion of relevant consumers will understand ‘XL’ with this meaning. I also found that the relevant consumers are likely to voice ‘XL’ resembling the word ‘excel’, thus, a separate significant proportion of relevant consumers is likely to perceive ‘XL’ with such meaning.

47. The word ‘compass’ indicates “*an instrument that you use for finding directions*”.⁸ In the First Earlier Mark this meaning is reinforced by the logo depicting a stylised navigation instrument (i.e., sextant).

48. I appreciate that the presence of ‘XL’ does act as a point of conceptual difference between the marks, however, I find that ‘XL’ in both its meanings (‘extra large’/‘excel’) is merely a laudatory addition to the more distinctive verbal element ‘compass’, thus, I find that ‘XL’'s conceptual impact is limited. As the marks share the same meaning of ‘navigation instrument’ with the Contested Mark adding lowly distinctive matter to indicate either an ‘extra large’ or an ‘excellent’ navigation instrument, I find the marks to have a high degree of conceptual similarity.

“Second Earlier Mark”

49. Turning to the Second Earlier Mark, given the syntactic structure of the mark and the relevant services (i.e., business management and organization consultancy), it is my view that the relevant consumers will understand the mark with the meaning of “instrument for finding directions for the business”. Accordingly, I find that ‘FOR BUSINESS’ is a laudatory addition to the more distinctive part of the mark ‘compass’. Therefore, both marks share the same meaning of ‘navigation instrument’ that is ‘extra large’/‘excellent’ in the Contested Mark and ‘for business’ in the Second Earlier Mark. Overall, I find the marks’ conceptual similarity to be lower than high.

Distinctive character of the earlier marks

⁷ <https://www.collinsdictionary.com/dictionary/english/xl>.

⁸ <https://www.collinsdictionary.com/dictionary/english/compass>.

50. 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).”

51. Registered trade marks possess varying degrees of inherent distinctive character.

These range from the very low, such as those which are suggestive or allusive of the services, to those with high inherent distinctive character, such as invented words.

52. Although the distinctiveness of a mark may be enhanced as a result of it having been used in the market, the Opponent has filed no evidence of use of its mark. Accordingly, I have only the inherent position to consider.

53. The First Earlier Mark is the English dictionary word “COMPASS” indicating a navigation instrument. On the left hand-side side of the mark’s verbal element is placed a small figurative rectangular device depicting a white stylised navigation instrument (sextant) on a red background. Therefore, the First Earlier Mark is an arbitrary dictionary word that is neither descriptive of the services at hand nor does

it have any other immediately clear semantic correlation with the services. For this reason, I find the Earlier Mark has a medium degree of inherent distinctive character.

54. The second earlier mark comprises the three English dictionary words “COMPASS FOR BUSINESS”. Whilst the mark is not descriptive and does not convey a clear meaning in relation to the services at hand, the mark suggests a laudatory message of ‘a navigation instrument for businesses’ or ‘a navigation instrument for the business sector’. Thus, I find the Earlier Mark has a below medium degree of inherent distinctive character.

Likelihood of confusion

55. There is no simple formula for determining whether there is a likelihood of confusion. The factors considered above have a degree of interdependency (*Canon* at [17]). I must make a global assessment of the competing factors (*Sabel* at [22]), considering the various factors from the perspective of the average consumer and deciding whether the average consumer is likely to be confused. In making my assessment, I must keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

56. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other (*L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10).

57. I have found the respective services to range from medium similarity to identity. The level of attention is high (but not the highest) for the general public. The distinctiveness of the Earlier Marks is medium for the First Earlier Mark and below medium for the Second Earlier Mark. I found the First Earlier Mark and the Contested Mark to be visually and conceptually similar to a high degree and aurally similar to a lower than high degree. I found the Second Earlier Mark and the Contested Mark to have a medium visual and aural similarity whilst being conceptually similar to a lower than high degree. The purchase of the contested services is considered to be mainly visual but the potential for aural use is borne in mind. Taking into consideration the First Earlier Mark’s overall impression, the fact

that in the Second Earlier Mark and in the Contested Mark the wording 'FOR BUSINESS' and the letters 'XL' (for both meanings 'extra large' and 'excel') respectively possess, in relation to the services at hand, a lower distinctive character than 'compass', the marks' overlap in their respective distinctive element 'compass', and bearing in mind the effects of imperfect recollection, I find that the relevant consumer is likely to mistake the Earlier Marks for the Contested Mark, or vice versa. Thus, there is a likelihood of direct confusion.

58. In the event I am found to be wrong with my direct confusion conclusion, I turn to consider the likelihood of indirect confusion. The concept of indirect confusion was described in the following terms by Iain Purvis Q.C. sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10:

"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)".

59. These three categories are not exhaustive; rather, they were intended to be illustrative of the general approach, as has been confirmed by the Court of Appeal.⁹ I recognise that a finding of indirect confusion should not be made merely because the competing marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.¹⁰ The Court of Appeal has also emphasised that, where there is no direct confusion, there must be a "proper basis" for finding indirect confusion.¹¹

60. I found above that in both competing marks the relevant consumer will understand 'compass' as the navigation instrument. The relevant consumer is likely to perceive 'COMPASS' in the Earlier Marks as the house mark and the addition of the logo in the First Earlier Mark and 'FOR BUSINESS' in the Second Earlier Mark to merely reinforce the mark's meaning (for the First Earlier Mark) and convey the meaning the services refer to the business sector (for the Second Earlier Mark). Therefore, the relevant consumer when confronted with a 'compass' mark accompanied by 'XL', is likely to perceive the Contested Mark as a line of services associated with or deriving from the Opponent with the addition of 'XL' to indicate that the services are 'excellent' or 'very large in size' (i.e., conveying a positive message about the 'compass' services). It follows that a significant proportion of the relevant consumers will likely see the Contested Mark as a sub-brand or brand extension deriving from the Earlier Marks and will likely believe that both marks originate from the same or economically linked undertakings. As a result, I find that there is a likelihood of indirect confusion.

⁹ *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207.

¹⁰ *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17.

¹¹ *Liverpool Gin Distillery*.

Conclusion

61. The opposition under section 5(2)(b) succeeds and the application, subject to any appeal, will be refused for all services.

Costs

62. The Opponent has been successful and is entitled to an award of costs. The relevant scale is contained in Tribunal Practice Notice ("TPN") 1/2023. Bearing that scale in mind, I award costs to the Opponent as follows:

Official fee	£100
Preparing the notice of opposition and considering the counterstatement	£250
Total:	£350

63. I order Robert Andrew Mulholland to pay COMPASS BANCA S.p.A. the sum of **£350**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of March 2025

Andrea Rossi

For the Registrar