O/0336/25

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3807049
IN THE NAME OF SHENZHEN PXN ELECTRONICS TECHNOLOGY CO., LTD.
TO REGISTER THE FOLLOWING TRADE MARK:

PXN

IN CLASS 9

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 437021
BY NXP B.V.

Background and pleadings

1. On 7 July 2022, ShenZhen PXN Electronics Technology Co., Ltd. ("the applicant") applied to register the trade mark **PXN** in the UK, under number 3807049 ("the applicant's mark"). Registration is sought for the following goods:

> Class 9: Wireless headsets for smartphones; headsets for smartphones; downloadable game software; computer hardware for games and gaming; audiovisual headsets for playing video games; headsets for virtual reality games; earphones for consumer video game apparatus; earphones for handheld electronic game apparatus; virtual reality headsets adapted for use in playing video games; in-ear headphones; downloadable game related software applications; downloadable software in the nature of a mobile application for playing games; computer application software featuring games and gaming; wireless headphones; software programs for video games; wireless computer peripherals; wearable computer peripherals; computer games entertainment software; computer mouses; joysticks for use with computers, other than for video games.

2. Details of the application were published for opposition purposes on 22 July 2022. On 21 October 2022, NXP B.V. ("the opponent") opposed the applicant's mark under section 5(2)(b) of the Trade Marks Act 1994 ("the Act").[1] The opponent relies upon its comparable UK trade mark registration number 905571021, **NXP** ("the opponent's mark").[2] The opponent's mark was filed on 20 December 2006 and became registered on 13 December 2007. It claims a priority date of 10 July 2006 (Benelux). It stands registered for the following goods and services, all of which are relied upon for the purposes of the opposition:

[1] A claim was also originally brought under section 5(3) of the Act. However, the opponent did not file any evidence. As such, that ground of opposition was deemed withdrawn in accordance with rule 20(3) of the Trade Marks Rules 2008.

[2] The opponent's mark is a comparable mark based upon its EUTM no. 5571021. On 1 January 2021, in accordance with the Withdrawal Agreement between the UK and EU, a comparable UK trade mark was automatically created. It is now recorded on the UK register, has the same legal status as if it had been applied for and registered under UK law, and retains its original filing date.

Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision),life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating and controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; electronic, electrotechnical and electromagnetic modules, parts and components therefor including integrated circuits (ICs), chips, diodes, transistors, semiconductors and semiconductor elements; interfaces; software.

Class 16: Printed matter; textbooks; data books; instructional manuals; user manuals; product catalogues; circuit specification and data sheets all relating to semiconductors, semiconducting apparatus, instruments and software.

Class 42: Semiconductor consultancy, design, research, development and advisory services; integrated circuit design services; semiconductor software design services; provision of information to designers and architects in the semiconductor industry; provision of services relating to the evaluation, testing, verification, accreditation and standardisation of semiconductors.

3. The opponent contends that the competing marks are similar, and that the parties' goods and services are identical and similar. On this basis, the opponent submits that there is a likelihood of confusion, including the likelihood of association.

4. The applicant filed a counterstatement denying the ground of opposition.

5. The opponent's mark qualifies as an 'earlier mark' in accordance with section 6 of the Act. It had been registered for more than five years at the filing date of the applicant's mark and is, in principle, subject to the use requirements in section 6A of the Act. However, the applicant did not seek to require the opponent to provide proof of use. Therefore, the opponent may rely upon all the goods and services listed above without having to establish genuine use.

6. The opponent is represented by Stobbs, whereas the applicant is represented by Goldstar Compliance Limited. No evidence has been filed. No hearing was requested and neither party elected to file written submissions in lieu. This decision is taken following a careful consideration of all the papers before me.

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.

Section 5(2)(b) – legislation and case law

8. Sections 5(2)(b) and 5A of the Act read as follows:

> "5(2) A trade mark shall not be registered if because -
>
> […]
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

"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."

9. 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 goods and services

10. Some of the applicant's goods, such as, for example, *downloadable game software; downloadable game related software applications; downloadable software in the nature of a mobile application for playing games; computer application software featuring games and gaming; software programs for video games; computer games*

entertainment software, are identical to the opponent's *software*.[3] As such, I will proceed on the basis that all the parties' goods in class 9 are identical. If the opposition fails, even where the goods are identical, it follows that the opposition will also fail where the goods and services are only similar.

The average consumer and the nature of the purchasing process

11. As the case law indicates, I must determine who the average consumer is for the parties' goods and the manner in which they are likely to select those goods. The average consumer has been described in the following terms:[4]

> "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 […] 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."

12. The goods at issue broadly consist of gaming software, gaming equipment and other computer peripherals. The average consumer is likely to be a member of the public. The frequency with which the goods are purchased is likely to vary. For example, software apps and games may be purchased fairly regularly, whereas items of equipment are likely to be purchased less relatively infrequently. Their cost will range from less expensive items such as mobile gaming apps to more expensive items such as virtual reality headsets. The purchasing process is unlikely to be merely causal, with the average consumer considering factors such as ease of use, functionality, compatibility with other items, and the types of games on offer. Whilst the attentiveness exhibited may vary, depending on the particular product being

[3] The law requires that goods be considered identical where one party's description of its goods encompasses the specific goods covered by the other party's description (and vice versa): *Gérard Meric v OHIM,* Case T- 133/05. The applicant's goods are all particular kinds of software falling within the scope of the opponent's broad term.
[4] *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), paragraph 60

purchased, it is my view that, overall, the average consumer will demonstrate at least a medium level of attention during the purchasing process. The goods will be purchased in retailers (whether technology focused or more general) or their online equivalents. The goods are likely to be self-selected from shelves and displays, or after viewing images and information on webpages or 'app stores'. Accordingly, I find that the purchasing process will be predominantly visual in nature. However, I do not exclude aural considerations entirely, as the average consumer may receive word-of-mouth recommendations or wish to discuss the products with a sales representative.

Distinctive character of the earlier mark

13. In *Lloyd Schuhfabrik Meyer*, the Court of Justice of the European Union ("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)."

14. Registered trade marks possess varying degrees of inherent distinctive character. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion.

15. Although the distinctive character of a mark may be enhanced as a result of it having been used in the market, the opponent has filed no evidence. As such, I have only the inherent position to consider.

16. The opponent's mark is in word-only format and consists of the letters 'NXP'. The distinctiveness of the mark lies in the combination and arrangement of these letters. The mark does not appear to be descriptive or allusive of the goods relied upon. Whilst the letters are seemingly arbitrary, given the propensity for many undertakings to adopt letters from the English alphabet as indicators of trade origin, the combination is not particularly distinctive. Overall, I find that the opponent's mark has a medium level of inherent distinctive character.

Comparison of trade marks

17. It is clear from *Sabel* that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo* 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."

18. Therefore, it would be wrong to dissect the trade marks artificially, though it is necessary to take into account the distinctive and dominant components of the marks; due weight must be given to any other features which are not negligible and hence contribute to the overall impressions created by the marks.

19. The marks to be compared are as follows:

The opponent's mark	The applicant's mark
NXP	PXN

20. The opponent's mark consists of the letters 'NXP' with no other elements. The overall impression of the mark lies in the combination and arrangement of those letters.

21. The applicant's mark comprises the letters 'PXN'. As there are no other elements, the overall impression of the mark lies in the combination and arrangement of the letters.

22. Visually, the competing marks are similar because they share the same three letters, with one of those being in the same position, i.e. '-X-'. The competing marks are visually different in that the other two letters appear in different positions; the letters 'P' and 'N' are reversed. This results in the competing marks having different beginnings, a position which tends to have most impact.[5] Bearing in mind my assessment of the overall impressions, I find that there is between a low and medium degree of visual similarity between the competing marks.

23. Aurally, the competing marks are similar insofar as they comprise the same three syllables, i.e. "PEE", "ECKS" and "EN", with one of those being in the same position when the marks are articulated. The competing marks are aurally different due to the two other syllables being in different positions. Overall, and again taking into account

[5] *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

that the beginnings of marks tend to have most impact, I find that there is between a low and medium degree of aural similarity between the competing marks.

24. Conceptually, the competing marks will both be understood as combinations of letters from the English alphabet. Although the marks contain the same letters, for a conceptual message to be relevant, it must be capable of immediate grasp.[6] The respective combinations do not convey any clear or obvious meanings which could be discerned by the average consumer; the competing marks have no real semantic content. Therefore, the conceptual position is, effectively, neutral.

Likelihood of confusion

25. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. One such factor is the interdependency principle, i.e. a lesser degree of similarity between the competing marks may be offset by a greater degree of similarity between the respective goods, and vice versa. As mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be mindful 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 that they have retained in their mind.

26. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related.

[6] *The Picasso Estate v OHIM*, Case C-361/04 P

27. Having proceeded on the basis that the parties' class 9 goods are identical, I further concluded that:

- The average consumer is likely to be a member of the general public, who will demonstrate a medium level of attention;

- The purchasing process is likely to be predominantly visual in nature, though aural considerations have not been discounted;

- The opponent's mark has a medium level of inherent distinctive character;

- The overall impressions of the competing marks lie in the respective combinations and arrangement of letters of which they are comprised, i.e. 'NXP' and 'PXN';

- The competing marks are visually and aurally similar to between a low and medium degree, whilst the conceptual position is effectively neutral.

28. I acknowledge that the competing marks share the same three letters and that one of them is in the same, central position. Nevertheless, taking all of the above factors into account, it is my view that the differences between the competing marks are likely to be sufficient for the average consumer, paying a medium level of attention, to distinguish between them and avoid mistaking one for the other. Whilst the competing marks are comprised of the same three letters, two of those are in different positions. The effect of this is that the beginnings of the marks are different, a position which tends to have more impact. Moreover, although I accept that there is no special test for 'short' marks,[7] the competing marks consist of only three letters and, therefore, the differences between them are more likely to be noticed. Further, the opponent's mark may have a moderate level of distinctive character, but this lies in the particular combination and arrangement of the letters, not in the letters *per se*. For these reasons, even taking into account the principles of imperfect recollection and

[7] *Robert Bosch GmbH v Bosco Brands UK Limited*, BL O/301/20, paragraph 43

interdependency, I find that there is no likelihood of confusion, even in relation to identical goods.

29. That leaves indirect confusion to be considered. In *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

> "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)."

30. These three categories are not exhaustive. Rather, they were intended to be illustrative of the general approach.[8] However, indirect confusion has its limits; such a finding 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.[9] It has also been emphasised that, where there is no direct confusion, there must be a proper basis for finding indirect confusion.[10]

31. Having regard to all the above principles, I do not believe that the average consumer will assume that the opponent and the applicant are economically linked undertakings on the basis of the competing marks. I am not convinced that the average consumer will assume a commercial association or licencing agreement between the parties, or sponsorship on the part of the opponent, merely because they share the letters 'P', 'X' and 'N'. These letters are not so strikingly distinctive that the average consumer would assume that only the opponent would be using them in a trade mark, and I reiterate that the distinctiveness of the opponent's mark lies in the particular combination and arrangement of the letters, not in the letters *per se*. In addition, I do not consider the differences between the competing marks to be simple additions/removals of non-distinctive elements, and the differences do not appear to be consistent with any logical brand extensions with which the average consumer will be familiar. I can see no reason why an undertaking would swap two of the seemingly arbitrary letters which make up its mark, resulting in a different mark. Rather, it is my view that the average consumer will attribute the similarities between the marks as coincidental, i.e. two separate undertakings merely using the same three letters. In light of all this, I conclude that there is no likelihood of indirect confusion, even in respect of identical goods.

[8] As was confirmed by the Court of Appeal in *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207, paragraph 12.
[9] *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17
[10] See the Court of Appeal's comments in *Liverpool Gin Distillery*, paragraph 13.

32. Although these conclusions have been reached on the basis of the parties' class 9 goods, the other goods and services relied upon by the opponent do not improve its position. I have approached this decision on the basis of identical goods. The other goods and services relied upon by the opponent are no more similar. In fact, there does not appear to be any obvious similarity between them and the opponent has not explained the basis on which it considers them to be identical or similar.

Conclusion

33. The opposition under section 5(2)(b) of the Act has been unsuccessful. Subject to any appeal against my decision, the applicant's mark will become registered in the UK.

Costs

34. The applicant has been successful and is entitled to a contribution towards its costs. As these proceedings commenced before 1 February 2023, the relevant scale is that published in Tribunal Practice Notice 2/2016. The applicant did not engage with the proceedings following the filing of its counterstatement. In the circumstances, I award the applicant the sum of £200 towards the costs of considering the opponent's statement and preparing a counterstatement.

35. I order NXP B.V. to pay ShenZhen PXN Electronics Technology Co., Ltd. the sum of £200. This sum is to be paid within 21 days of the expiry of the appeal period, or within 21 days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

Dated this 7th day of April 2025

James Hopkins
For the Registrar