

O/1006/24

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF TRADE MARK REGISTRATIONS

UK00003499851, UK00003499848 AND UK00003506859

IN THE NAME OF Q DEVELOPMENT AG

AND

APPLICATIONS 505957, 505958 AND 506081

BY ARQUIA BANK, S.A.

**FOR DECLARATIONS THAT THE AFOREMENTIONED TRADE MARK
REGISTRATIONS ARE INVALID**

Background and Pleadings

1. Q Development AG is the Registered Proprietor ('the RP') of the following three trade marks:

i) UK00003499851

EURQ

and

ii) UK00003499848

QEUR

Both marks having the following filing date and date of entry in the register:

Filing date: 12 June 2020

Date of entry in register: 25 September 2020

Both marks registered for the following:

Class 9:

Computer software for use in electronic payment services; computer software that enables users to make payments and transactions direct through use of mobile phone numbers; computer software for facilitating payment transactions by electronic means and recording financial operations; computer software for enabling the searching of electronic data; software for facilitating secure payment transactions by electronic means; software for enabling electronic and online identity verification and fraud prevention; computer software for currency trading and exchange services; computer software for securities brokerage and trading services; computer software for currency brokerage services; computer

software for financial services; computer hardware and software for facilitating payment transactions by electronic means over wireless networks, global computer networks and/or mobile telecommunications devices; computer hardware modules for delivering secure cryptographic services in the field of cryptocurrency; computer communications software to enable and facilitate the use of block chain or distributed ledgers; computer software for enabling and facilitating online financial services.

Class 36:

Financial services, namely, currency trading and exchange services; securities brokerage and trading services; currency brokerage services; financial analysis; financial services, namely, providing a virtual currency for use by members of an on-line community via a global computer network; financial services, namely, electronic transfer of a virtual currency for use by members of an on-line community via a global computer network; cash management, namely, facilitating and tracking transfers of electronic cash equivalents; financial services, namely, trading of virtual and digital currency; crypto currency exchange services; providing financial information; provision of information in the field of digital and crypto currencies; provision of financial information in the field of stock exchanges; virtual currency exchange transaction services for transferrable electronic cash equivalent units having a specified cash value.

Class 42:

Software as a Service (SaaS) featuring computer software for services to enable the secure exchange of funds and information in electronic payment transactions; software as a Service (SaaS) featuring computer software for services to enable transactions in currency trading and exchange services; software as a Service (SaaS) featuring computer software for securities brokerage and trading services; software as a Service (SaaS) featuring computer software for currency brokerage services.

iii) UK00003506859

Q

Filing date 1 July 2020

Date of entry in register: 9 October 2020

Registered for the following:

Class 36:

Financial services in the field of virtual currencies; virtual currency trading and exchange services; securities brokerage and trading services in the field of virtual currencies; virtual currency brokerage services; financial analysis in the field of virtual currencies; financial services, namely, providing a virtual currency for use by members of an on-line community via a global computer network; financial services, namely, electronic transfer of a virtual currency for use by members of an on-line community via a global computer network; cash management, namely, facilitating and tracking transfers of virtual currencies and electronic cash equivalents; financial services, in particular trading of virtual currencies; virtual currency exchange services; providing financial information in the field of virtual currencies; provision of information relating to virtual currencies; provision of financial information relating to stock exchanges in the field of virtual currencies; virtual currency exchange transaction services for transferrable electronic cash equivalent units having a specified cash value.

2. On 30 March 2023¹ and 4 May 2023,² Arquia Bank, S.A., the Cancellation Applicant ('the CA') applied to invalidate the RP's registrations, pursuant to sections 47(2)(a) and 5(2)(b) of the Trade Marks Act 1994 ('the Act'). The requests for invalidation (CA505957, CA505958 and CA506081, respectively) are directed

¹ Cancellation actions CA505957 and CA505958 were filed.

² Cancellation action CA506081 was filed.

against the entire specifications in respect of which the contested marks stand registered. The CA relies upon the following earlier registration in all three actions:

UK00917129974³



Filing date: 22 August 2017

Registration date: 26 December 2017

Colour claimed: orange

Registered for goods and services in classes 16 and 36, only the following of which are relied upon:

Class 36:

Insurance; Financial affairs; Monetary affairs; Real estate affairs; Administration of savings accounts; Financial services relating to savings; Savings scheme services; Management of investment funds; Financial advice relating to investment; Financial investment brokerage; Investment fund management; Financing services; Pension fund administration services; Pension consultancy; Planning services relating to pensions; Provision of information relating to stock broking; Consultancy services relating to credit.

³ The application to register this mark in the UK was filed pursuant to Article 59 of the 'Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2019/C 384 I/01)', also known as the 'Withdrawal Agreement'. This mark is a comparable mark based on EU registration 07129974 filed in Spain.

3. The CA's pleading is essentially the same for each invalidation action: that the parties' marks are similar and that the respective goods and services are identical/similar, thus leading to a likelihood of confusion.
4. The RP filed Defences and Counterstatements for all three invalidation actions, denying the claims against them in their entirety.
5. The CA is represented by Withers & Rogers LP. The RP is represented by Taylor Wessing LLP. Both parties have filed evidence and written submissions in lieu of a hearing. The following decision has been made after careful consideration of the papers available to me.
6. 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

7. The CA's evidence comes from Lauren Elizabeth Bray, trade mark attorney of the CA's legal representative, and the particular agent with conduct of the CA's case. Ms Bray's Witness Statement is dated 14 September 2023 and is accompanied by four exhibits: LEB01 – LEB04. The CA's evidence focuses on the conceptual aspect of the string of characters 'EUR'.
8. The RP's evidence comes from Mr Christopher Morgan, trade mark attorney of the RP's legal representative. Mr Morgan's Witness Statement is dated 13 November 2023 and is accompanied by one exhibit: CM1. The evidence comprises screenshots from social media accounts and web pages 'showing use of the letter

Q in various styles, by other parties, for financial related services available to UK consumers'.⁴

9. I will refer to the evidence and written submissions where necessary.

DECISION

The relevant legislation

10. Section 47 of the Act states as follows:

'47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) ...

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) [...]

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

⁴ Witness Statement of C. Morgan, paragraph [4]; Exhibit CM1.

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

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

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

11. Section 5(2)(b) of the Act states:

‘5(2) A trade mark shall not be registered if because –

(a) ...

(b) It is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

Earlier mark

12. In accordance with section 6 of the Act, the CA's mark is an earlier mark by virtue of its filing date, which fell before the filing dates of the respective contested registrations.

Section 5(2)(b) case law

13. The following principles are derived from the decisions of the Court of Justice of the European Union (CJEU) 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 C120/04; *Shake 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.

14. I will deal with each invalidation in turn, beginning with a comparison of the competing marks.

Comparison of the marks

15. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall


impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

16. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account their distinctive and dominant components, and to give due weight to any other features which are not negligible and, therefore, contribute to the overall impressions created by the marks.

i) Cancellation 505957

17. The marks to be compared are as follows:

| CA's earlier mark: | RP's contested mark: |
|--|-----------------------|
| UK00917129974  | UK00003499851 EURQ |

Overall impressions of the marks

The earlier mark:

18. The CA's mark is a figurative mark comprising a single element; a representation of the character 'Q', rendered in a heavily emboldened, albeit fairly plain, typeface in a colour that might be described as ochre. The mark being a single indivisible element, the overall impression resides in the mark as a whole.

The RP's mark:

19. The RP's mark is a word mark⁵ comprising the string of characters 'EURQ' rendered in a plain typeface, all characters in upper case. In my view, the string of characters will be seen as a unit, with no character having particular prominence over any other, owing to their uniform size and typeface. The overall impression resides in the string of characters as a whole.

Visual comparison

20. The earlier mark is figurative whereas the RP's mark is a word mark. I acknowledge that presentation of the RP's mark in a similar colour, typeface and font size as the earlier mark would be within notional and fair use of the mark. Both marks contain the character 'Q'. The points of visual difference between the marks are:

- The fact that the earlier mark is significantly shorter than the CA's mark; the CA's single character ('Q') versus the RP's four-character string ('EURQ');
- The presence of the characters 'EUR' in the RP's mark, which are absent from the CA's mark.

⁵ In *LA Superquímica v EUIPO*, Case T-24/17, at paragraph [39] it was held that:

'[...] it should be noted that a word mark is a mark consisting entirely of letters, words or groups of words, without any specific figurative element. The protection which results from registration of a word mark thus relates to the word mentioned in the application for registration and not the specific figurative or stylistic aspects which that mark might have. As a result, the font in which the word sign might be presented must not be taken into account. It follows that a word mark may be used in any form, in any colour or font type (see judgment of 28 June 2017, *Josel v EUIPO — Nationale-Nederlanden Nederland (NN)*, T-333/15, not published, EU:T:2017:444, paragraphs 37 and 38 and the case-law cited).'

21. My view is that the marks are visually dissimilar, for the following reasons. The only visual overlap resides in the presence of the character 'Q' in each mark; solus in the earlier mark versus within a four-character string in the RP's mark. Because both marks are short, the presence of the 'EUR' preceding the 'Q' in the RP's mark will, in my view, be particularly apparent.⁶ Furthermore, I consider that the 'running together' of the characters 'EURQ' without any spaces between them will result in the mark being seen as an 'indivisible' string, with no single character being more prominent than any other. If I am wrong in my finding, then any visual similarity will only be very low.

Aural comparison

22. The CA's mark 'Q' will likely be articulated as 'KEW', i.e. the letter 'Q'. I consider that the average consumer will likely articulate the RP's mark by enumerating each individual character, i.e. 'EE-YOO-ARE-KEW'. The RP has submitted that the RP's mark will be articulated as 'YOOR-KW'.⁷ My view is that this pronunciation is unlikely, although not impossible. I consider the average consumers inclined to articulate it in this manner likely too few in number to constitute a significant proportion. Aurally speaking, the marks will converge in the letter Q; solus in the CA's mark, as compared to the fourth and final syllable of the RP's mark. The main point of aural difference is:

- The syllables 'EE-YOO-ARE' in the RP's mark, which are absent from the CA's mark.

23. Because both marks are short, the three-syllable difference amounts to the RP's mark being four times as long as the earlier mark; a difference which will likely be readily perceived by the average consumer. All things considered, I find the marks to have a very low degree of aural similarity.

⁶ In the case of *dm-drogerie markt GmbH & Co. KG v OHIM*, Case T-304/10, at [42]. it was held that: '[...] the Court has already held that, in the case of word signs which are relatively short, even a difference consisting of a single consonant will preclude a finding that there is a high degree of visual similarity between the two signs'.

⁷ RP's written submissions in lieu of a hearing, paragraph [61].

Conceptual comparison

24. The CA's mark will be perceived as the character 'Q'. Conceptually speaking, the average consumer will not discern any meaning above and beyond 'Q' as a mere character in the English alphabet.
25. The CA has argued that the 'EUR' portion of the RP's mark 'would be understood by the vast majority of UK consumers as a common abbreviation and/or the recognised ISO currency code for the Euro currency'.⁸ In support of this argument, it has provided print-outs of 'Wikipedia' pages on the meaning of 'Euro', together with pages from websites with an online 'currency converter' function.⁹ Whilst these are noted, it is my view that a significant proportion of average consumers would not perform the mental task of isolating the 'EUR' portion of the string 'EURQ' and perceiving that portion as an abbreviation of the 'Euro'. I find that a significant proportion of average consumers would perceive the mark 'EURQ' as a mere string of characters from the English alphabet. Conceptually speaking, the mark will, for a significant proportion, convey nothing over and above the idea of the string of characters 'EURQ'.
26. Although, strictly speaking, the marks could be said to have some sort of conceptual nexus to the extent that both will be perceived as 'mere characters from the English alphabet', such a conceptual link might be best described as uninformative or unremarkable. My view is that, if there can be said to be any conceptual similarity between the marks, the nature of that similarity is of very little consequence because the conceptual 'content' in question is limited to the marks being seen as mere alphabetic characters, rather than any idea beyond those characters. To put it another way, the 'concept', in the case of both marks, is confined to the characters as 'signifiers' without conveying any message as to what those characters might themselves 'signify'.


⁸ CA's written submissions in lieu of a hearing, paragraph [28].

⁹ Exhibits LEB01-LEB04; Witness Statement of L. E. Bray.

27. Having carefully considered the parties' marks on all three 'planes' of comparison, my view is that the marks, if considered similar at all, have a level of similarity so low that, irrespective of any identity/similarity which might be found between the parties' goods and services, there is no likelihood of confusion. The invalidation action therefore fails at this point.

ii) Cancellation 505958

28. The marks to be compared are as follows:

| CA's earlier mark: | RP's contested mark: |
|---|---------------------------|
| UK00917129974  | UK00003499848 QEUR |

Overall impressions of the marks

29. The overall impression of the CA's earlier mark has been addressed above at [18].

30. The RP's mark is a word mark comprising the string of characters 'QEUR' rendered in a plain typeface, all characters in upper case. In my view, the string of characters will be seen as a unit, with no character having particular prominence over any other, owing to their uniform size and typeface. The mark's overall impression resides in the string of characters as a whole.

Visual comparison

31. The earlier mark is figurative, whereas the RP's mark is a word mark. In the same way as outlined above at [20], presentation of the RP's mark in a similar colour,

typeface and font size as the earlier mark would amount to notional fair use of the mark. Both marks contain the character 'Q'. The points of visual difference between the marks are:

- The fact that the earlier mark is significantly shorter than the CA's mark; the CA's single character ('Q') versus the RP's four-character string ('QEUR');

and

- The presence of the characters 'EUR' in the RP's mark, which are absent from the CA's mark.

32. For reasons analogous to those provided above at [21], my view is that the marks are visually dissimilar. The RP's mark will be seen as a unitary 'string' of characters and the average consumer will, in my view, unlikely see the 'Q' as a 'prefix'. If I am wrong in my finding, then any visual similarity will only be very low.

Aural comparison-

33. I have already found that the CA's mark will be articulated as 'KEW', i.e. the letter 'Q'. I consider that a significant proportion of average consumers would likely articulate the RP's mark by enumerating each individual character, i.e. 'KEW-EE-YOU-ARE'. The RP has submitted that 'QEUR' will be articulated as 'KW-YOOR'.¹⁰ I consider this pronunciation to be unlikely given my finding that the mark will be seen as a string of characters. The main point of aural difference resides in the presence of the syllables 'EE-YOU-ARE' in the RP's mark, which are absent from the CA's mark.

34. All things considered, for reasons analogous to those provided above at [22] – [23], I find the marks to have only a very low level of aural similarity.

Conceptual comparison

¹⁰ RP's written submissions in lieu of a hearing, paragraph [61].


35. My observations regarding the CA's mark are set out above at [24].

36. The CA's argument, noted above at [25], that the string 'EUR' will be seen as the abbreviation for the unit of currency 'Euro' has also been directed to the RP's mark 'QEUR'. My observations above at [25] – [26] apply equally here.

37. Having carefully considered the parties' marks on all three 'planes' of comparison, my view is that the marks, if considered similar at all, have a level of similarity so low that, irrespective of any identity/similarity which might be found between the parties' goods and services, there is no likelihood of confusion. The invalidation action therefore fails at this point.

iii) Cancellation 506081

38. The marks to be compared are as follows:

| CA's earlier mark: | RP's contested mark: |
|--|------------------------|
| UK00917129974  | UK00003506859 Q |

Overall impressions of the marks

39. The overall impression of the CA's mark has already been addressed.

40. The RP's mark is a word mark comprising the sole character 'Q'. The overall impression can therefore only reside in this sole element.

Visual comparison

41. The fact that the CA's mark is figurative, whereas the RP's mark is a word mark precludes a finding of identity. The CA has submitted that the marks are highly similar.¹¹ The RP has argued that where a word element is 'highly stylised', as compared to a mere word mark, the marks should be found to be 'visually dissimilar'.¹² Whilst this may be so in appropriate cases, I do not consider the CA's mark in the instant case to be 'highly stylised'. Although I have found the 'Q' character to be heavily emboldened, in the absence of any embellishment/other stylistic features, I do not consider the level of stylisation to amount to any great visual difference between the marks. Furthermore, I have found that should the RP's word mark be presented in a similar style, then this would amount to notional and fair use. My view is that the marks have a high level of visual similarity because both will be seen as renditions of the character 'Q'.

Aural comparison

42. Both marks will be articulated 'KEW', i.e. the character 'Q'. The marks are aurally identical.

Conceptual comparison

43. Both marks will be perceived as the alphabetic character 'Q'. To the extent that the marks possess conceptual content, it is limited to the concept of 'Q' as a character of the English alphabet.

44. Taking into account all three 'planes' of comparison, I find that the marks have a very high level of conceptual similarity.

45. I therefore proceed to compare the parties' respective services.

Comparison of services

¹¹ CA's written submissions in lieu of a hearing, [27].

¹² RP's written submissions in lieu of a hearing, [52].

46. Section 60A of the Act provides:

(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the 'Nice Classification' means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.

47. The CJEU in *Canon*, Case C-39/97, stipulates that all relevant factors relating to the parties' goods and services must be taken into account:

'[23] 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'.

48. Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281¹³, identified the following factors for assessing similarity of the respective goods and services:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

¹³ *British Sugar Plc v James Robertson & Sons Ltd* [1996] R. P. C. 281, pp 296-297.

- (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.

49. Goods (or services) may be grouped together for the purposes of assessment, as Geoffrey Hobbs QC (as he then was), sitting as the Appointed Person, said in *Separode Trade Mark* BL O-399-10:

‘The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.’

50. In making an assessment between the competing services, I bear in mind the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market*.¹⁴ The General Court held to the effect that goods and services can be considered as identical when the goods and services designated by the earlier mark are included in a more general category, designated by the trade mark application and vice versa.

51. Case law establishes that ‘... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise’ but ‘Where words or phrases in their ordinary and natural meaning are apt to cover the

¹⁴ Case T-133/05

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.¹⁵

52. The services to be compared are as follows:

| CA's earlier mark: | RP's contested mark: |
|--|---|
| <p>Class 36: <i>Insurance; Financial affairs; Monetary affairs; Real estate affairs; Administration of savings accounts; Financial services relating to savings; Savings scheme services; Management of investment funds; Financial advice relating to investment; Financial investment brokerage; Investment fund management; Financing services; Pension fund administration services; Pension consultancy; Planning services relating to pensions; Provision of information relating to stock broking; Consultancy services relating to credit</i></p> | <p>Class 36 <i>Financial services in the field of virtual currencies; virtual currency trading and exchange services; securities brokerage and trading services in the field of virtual currencies; virtual currency brokerage services; financial analysis in the field of virtual currencies; financial services, namely, providing a virtual currency for use by members of an on-line community via a global computer network; financial services, namely, electronic transfer of a virtual currency for use by members of an on-line community via a global computer network; cash management, namely, facilitating and tracking transfers of virtual currencies and electronic cash equivalents; financial services, in particular trading of virtual currencies; virtual currency exchange services; providing financial information in the field of virtual currencies; provision of information relating to virtual currencies; provision</i></p> |

¹⁵ *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch).

| | |
|--|---|
| | <p><i>of financial information relating to stock exchanges in the field of virtual currencies; virtual currency exchange transaction services for transferrable electronic cash equivalent units having a specified cash value.</i></p> |
|--|---|

Contested services: *Financial services in the field of virtual currencies; securities brokerage and trading services in the field of virtual currencies; financial analysis in the field of virtual currencies; financial services, namely, providing a virtual currency for use by members of an on-line community via a global computer network; financial services, namely, electronic transfer of a virtual currency for use by members of an on-line community via a global computer network; financial services, in particular trading of virtual currencies; providing financial information in the field of virtual currencies; provision of financial information relating to stock exchanges in the field of virtual currencies*

53. All of the above contested terms are financial services of one sort or another. I consider them to be encompassed by the CA's broad term *financial affairs*. The parties' services are identical according to the principle in *Meric*.

Contested services: *virtual currency trading and exchange services; virtual currency brokerage services; cash management, namely, facilitating and tracking transfers of virtual currencies and electronic cash equivalents; virtual currency exchange services; provision of information relating to virtual currencies; virtual currency exchange transaction services for transferrable electronic cash equivalent units having a specified cash value.*

54. I compare the above contested terms to the CA's broad term *Monetary affairs*. It is my understanding that 'monetary' relates to money in general and, in particular, *inter alia*, currency and exchange rates. I find that the RP's services will be

encompassed by the CA's broad term. The parties' services are identical according to the principle in *Meric*.

Average consumer and the purchasing act

55. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. The word "average" denotes that the person is typical. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

56. Broadly speaking, the relevant services entail: investment, management of funds, and services concerned with currency and exchange. The purchasing act will be primarily visual, the services likely being first encountered: online; by way of advertisement in printed media or radio/television; or after having seen the undertaking's premises in the street. There may be an aural aspect by way of 'word-of-mouth'/recommendations. I consider that the average consumer, whether general or professional, will likely demonstrate an appreciable level of care when engaging these services; 'money matters' being particularly important to everyday domestic and professional life. I find that a high level of attention would be paid during the purchasing process.

Distinctive character of the earlier mark

57. *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)'.

58. Registered trade marks possess varying degrees of inherent distinctive character. Where a mark is suggestive or allusive of a characteristic of the goods or services, it tends to be low. Inherent distinctive character may range up to a high level for marks which consist of invented words with no allusive qualities.

59. The earlier mark neither describes nor alludes to the services in respect of which it is registered. I have found that it will be seen merely as the alphabetic character 'Q'. It is my view that the average consumer will be fairly accustomed to seeking marks comprising a single alphabetic character in the marketplace. The RP has adduced evidence by way of screenshots taken from websites/social media pages of businesses providing 'financial related' services using trade marks consisting of the character 'Q' in various styles.¹⁶ In this connection, I bear in mind that in the case of *Zero Industry Srl v OHIM*, Case T-400/06, the General Court stated that:

'73. [...] It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 *GfK v OHIM* –

¹⁶ RP's written submissions, [46]; Witness Statement of C. Morgan, [4]; Exhibit CM1.

BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 *Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH)* [2005] ECR II-5309, paragraph 71.’

60. I consider the earlier mark to have a fairly low level of inherent distinctive character.

61. In the absence of evidence from the CA of use of the earlier mark,¹⁷ I am unable to make a finding in respect of enhanced distinctiveness.

Likelihood of confusion

62. Confusion can be direct or indirect. Mr Iain Purvis Q. C., (as he then was) as the Appointed Person, explained the difference in the decision of *L.A. Sugar Limited v By Back Beat Inc*¹⁸. Direct confusion occurs when one mark is mistaken for another. In *Lloyd Schuhfabrik*¹⁹, the CJEU recognised that the average consumer rarely encounters the two marks side by side but must rely on the imperfect picture of them that they have kept in mind. Direct confusion can therefore occur by imperfect recollection when the average consumer sees the later mark but mistakenly matches it to the imperfect image of the earlier mark in their ‘mind’s eye’. Indirect confusion occurs when the average consumer recognises that the competing marks are not the same in some respect, but the similarities between them, combined with the goods/services at issue, leads them to conclude that the goods/services are the responsibility of the same or an economically linked undertaking.

63. I must keep in mind that a global assessment is required taking into account all of the relevant factors, including the principles a) – k) set out above at [13]. When considering all relevant factors ‘in the round’, I must bear in mind that a greater degree of similarity between goods/services *may* be offset by a lesser degree of similarity between the marks, and vice versa.

¹⁷ There was no obligation for the CA to provide any evidence.

¹⁸ Case BL O/375/10 at [16].

¹⁹ *Lloyd Schuhfabrik Meyer and Co GmbH v Klijsen Handel BV* (C-34297) at [26].

64. I have found the parties' marks to be highly similar, and their services to be identical. I consider the differences between the marks to be such that they will be easily overlooked by a significant proportion of average consumers. I find that the average consumer will likely mistake one party's mark for that of the other. I find this to be the case even though a high level of attention will be paid when engaging the services. I find that there is a likelihood of direct confusion.

Conclusion

65. Cancellation actions (i) 505957 and (ii) 505958 have failed in their entirety. Cancellation action (iii) 506081 has succeeded in full.

66. Subject to a successful appeal:

- Registrations UK00003499851 and UK00003499848 may remain on the register;
- and
- Registration UK00003506859 will be declared invalid.

COSTS

67. The RP has enjoyed the greatest level of success overall and is therefore entitled to a contribution towards its costs based on the published scale at Tribunal Practice Notice 1/2023. Accordingly, I award the RP the sum of **£650** as follows:

| | |
|---|-------------|
| Consideration of the applications for invalidation and preparation of Defence and Counterstatements (x 2) | £300 |
| Preparation of written submissions in lieu of a hearing | £350 |
| Total: | £650 |

68. I do not consider the evidence adduced by the RP to be necessary or of great relevance. I have, therefore, declined to award a sum in respect of this head of costs.

69. I therefore order Arquia Bank, S.A. to pay to Q Development AG the sum of £650. 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 22nd day of October 2024

N. R. Morris
For the Registrar,
the Comptroller-General