

O/1037/24

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. 3984411
BY POWERVAULT LTD TO REGISTER AS A TRADE MARK:**

smartSTOR

IN CLASSES 09 AND 42

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 600003228
BY SMAPPEE, NAAMLOZE VENNOOTSCHAP**

BACKGROUND AND PLEADINGS

1. On 27 November 2023, POWERVAULT LTD (“the applicant”) applied to register the trade mark displayed on the cover page of this decision, under number 3984411 (“the application”). It was accepted and published in the Trade Marks Journal on 08 December 2023 in respect of the following goods:

Class 09: Electronic control systems; electronic distribution systems and controllers for use with electrical systems and batteries; parts and fittings for the aforesaid goods.

Class 42: Software as a service related to the monitoring and optimisation of energy storage, electricity price and the power usage and solar or wind generation where the algorithms including machine learning are used to predict how much energy will be required and adjust timing of power usage and power generation; information, advisory and consultancy services related to the aforesaid services.

2. On 07 March 2024, the application was opposed by Smappee, naamloze vennootschap (“the opponent”) by way of the fast track opposition procedure. The opposition is brought under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) and is directed against all of the goods and services specified in the application.
3. The opponent relies upon the following trade mark:

Smappee Smartstop

UK Trade Mark registration number UK00003964512

Filing date: 06 October 2023

Registration date: 08 March 2024

Relying on the following goods and services:

Class 09: Electric charging stations; Devices and instruments for the conduction, distribution, conversion, storage, regulation and supply of electricity; Devices and instruments for the charging of electric vehicles; Software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of the charging of electric vehicles.

Class 37: Installation, maintenance, repair and upgrading of electric charging stations and of electric devices and instruments for charging electric vehicles and for the conduction, distribution, conversion, storage, regulation and supply of electricity; Rental and leasing of electric charging stations and of electric devices and instruments for charging electric vehicles and for the conduction, distribution, conversion, storage, regulation and supply of electricity; Operation, maintenance and regulation of electric charging stations and of electric apparatus and instruments for charging electric vehicles and for the conduction, distribution, conversion, storage, regulation and supply of electricity; professional consultancy regarding the aforementioned services.

Class 42: Design, development and optimization of electric charging stations and of electric devices and instruments for charging electric vehicles; design and development of software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of charging electric vehicles.

4. The opponent's mark is an earlier mark, in accordance with Section 6 of the Act. However, as it has not been protected for five years or more at the filing date of the application, it is not subject to the proof of use requirements specified within Section 6A of the Act.

5. The opponent submits that the marks at issue are visually, phonetically, and conceptually highly similar. It contends that the second word in their mark is almost identically reproduced save for the last letter of being R instead of P. The opponent argues that that the applicant's goods are all identical or highly similar to its own goods and services in classes 09 and 42.
6. The applicant filed a counterstatement denying that the marks are visually, semantically and phonetically similar. They state that the only similarity between the application and the earlier trade mark is the inclusion in both marks of the word SMART which they contend has low distinctive value. Further the applicant argues that the opponent's mark begins with the word SMAPPEE which does not appear in the applicant's mark, and that customers in the UK will be able to differentiate between the letters '-STOR' (referring to the word "store") and '-stop'.
7. Rule 6 of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Mark Rules 2008 but provides that Rule 20(4) shall continue to apply. Rule 20(4) states that:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”
8. The net effect of these changes is to require the parties to seek leave in order to file evidence in fast track oppositions. No leave was sought in respect of these proceedings.
9. The opponent is represented by De Clercq & Partners, and the applicant is represented by Mathys & Squire LLP. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and the registrar considers that oral proceedings are necessary to deal with the case justly and at proportionate cost; otherwise, written arguments will be taken. A hearing was neither requested nor considered necessary and I note that only the applicant

filed written submissions in lieu. I therefore make this decision having taken full account of all the papers, referring to them as necessary.

RELEVANCE OF EU LAW

10. 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.

DECISION

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

11. The opposition is based upon section 5(2)(b) of the Act which reads 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”

12. Section 5A of the Act states as follows:

“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.”

13. 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

14. 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 1979.”

15. For the purposes of considering the issue of similarity of goods and services, 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 (see *Albingia SA v Axis Bank Limited*, BL O/253/18, a decision of the Appointed Person, Professor Phillip Johnson, at paragraph 42).

16. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T 133/05, the General Court 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 for 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 the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment 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.”

18. 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.

19. 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”.

20. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“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.”

21. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T 133/05, the General Court 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 for 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.”

22. The goods and services to be compared are:

The opponent's goods	The applicant's goods
<p>Class 09: Electric charging stations; Devices and instruments for the conduction, distribution, conversion, storage, regulation and supply of electricity; Devices and instruments for the charging of electric vehicles; Software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of the charging of electric vehicles.</p> <p>Class 37: Installation, maintenance, repair and upgrading of electric charging stations and of electric devices and instruments for charging electric vehicles and for the conduction, distribution, conversion, storage, regulation and supply of electricity; Rental and leasing of electric charging stations and of electric devices and instruments for charging electric vehicles and for the conduction, distribution, conversion, storage, regulation and supply of electricity; Operation, maintenance and regulation of electric charging stations and of electric apparatus and instruments for charging electric vehicles and for the conduction, distribution, conversion, storage, regulation and supply of electricity; professional consultancy regarding the aforementioned services.</p>	<p>Class 09: Electronic control systems; electronic distribution systems and controllers for use with electrical systems and batteries; parts and fittings for the aforesaid goods.</p> <p>Class 42: Software as a service related to the monitoring and optimisation of energy storage, electricity price and the power usage and solar or wind generation where the algorithms including machine learning are used to predict how much energy will be required and adjust timing of power usage and power generation; information, advisory and consultancy services related to the aforesaid services.</p>

<p>Class 42: Design, development and optimization of electric charging stations and of electric devices and instruments for charging electric vehicles; design and development of software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of charging electric vehicles.</p>	
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23. While the applicant, in its submissions, denied that any of the goods and services are identical, they did accept that there is a degree of similarity between the following goods and services:

- a) *"Electronic control systems; parts and fittings for the aforesaid goods" and "... controllers for use with electrical systems and batteries; parts and fittings for the aforesaid goods" in Class 9 of the application are similar to the opponent's "Software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of the charging of electric vehicles" in the same Class as they are both used for the purposes of 'controlling'. However, the level of similarity is low at most, as the goods themselves differ in nature: the former are 'systems' and 'controllers' (i.e., hardware) and the latter is software.*

- b) *"Electronic distribution systems [...] for use with electrical systems and batteries; parts and fittings for the aforesaid goods" in Class 09 of the application are similar to an average degree to the opponent's "Devices and instruments for the conduction, distribution, conversion, storage, regulation and supply of electricity" in the same Class.*

c) *"Software as a service related to the monitoring and optimisation of energy storage, electricity price and the power usage and solar or wind generation where the algorithms including machine learning are used to predict how much energy will be required and adjust timing of power usage and power generation; information, advisory and consultancy services related to the aforesaid services"* in Class 42 of the application are similar to the opponent's *"design and development of software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of charging electric vehicles"* in the same Class, albeit to a low degree at most. Indeed, both services relate to the optimisation of energy storage, but they are different in nature; the former is software as a service and information, advice and consultancy relating to the same provided to consumers, and the latter is design and development of software provided on a B2B basis.

24. I note these concessions by the applicant however I consider it appropriate to draw my own conclusions. I will of course bear them in mind during my considerations.

Electronic control systems; electronic distribution systems and controllers for use with electrical systems and batteries; parts and fittings for the aforesaid goods.

25. The applicant argues that 'systems' and 'controllers' are all hardware goods for the control of electricity. I agree with this assertion. It is therefore considered that the opponent's *'Devices and instruments for the conduction, distribution, conversion, storage, regulation and supply of electricity'* describe the same type of goods, i.e., a device or instrument that manages electricity. On this point, I consider conduction, distribution, conversion, storage, regulation and supply to all be ways of "controlling" electricity. The terms in the applicant's specification are relatively broad and could conceivably encompass the opponent's goods. Therefore, as per the principals set out in *Meric*, these goods are considered identical.

Software as a service related to the monitoring and optimisation of energy storage, electricity price and the power usage and solar or wind generation where the algorithms including machine learning are used to predict how much energy will be required and adjust timing of power usage and power generation; information, advisory and consultancy services related to the aforesaid services.

26. Despite the applicant's concession as to an average degree of similarity with the opponent's services discussed above, I consider that the best case as to similarity here lies in a comparison with the opponent's term of *Software and control programs for electric charging stations and for monitoring, optimizing and regulating the distribution, transmission, supply of electricity and of the charging of electric vehicles* in class 09. My understanding is that "Software as a service ..." is the provision of software online via a 'portal' or 'cloud'. In the present case, my reading of the opponent's term is that the software is used for a number of different purposes namely (i) to be used in relation to electric charging stations, (ii) for the monitoring, optimizing and regulating the distribution, transmission and supply of electricity, and (iii) used for charging electric vehicles. The competing goods and services both involve software however, they differ in nature as the opponent provides goods whereas the applicant provides services. There may be a degree of overlap in method of use as software, whether downloadable or not, is generally used and accessed in the same way. Trade channel overlap is possible; the same undertaking might provide both software as goods and software as a service in the specified fields. There will also be an overlap in users. I consider there will be a degree of competition between the goods and services as users may be faced with the choice of selecting the applicant's services to use via an online portal or purchasing the appropriate software as goods. The respective goods and services are not important nor indispensable from one another to the extent that the average consumer would believe that the goods and services are derived from the same undertaking. As such, there is no complementary relationship to be found. Balancing all these factors, I consider there to be a medium level of similarity.

27. However, if I am wrong in the finding above regarding medium similarity, I note the concession as to an 'average' degree of similarity with *Devices and instruments for the conduction, distribution, conversion, storage, regulation and supply of electricity*. In my view the word 'average' is ordinarily categorised and understood as 'medium' and therefore, regardless of whether my finding is wrong or not, the opposition in respect of these services will proceed in light of the concession.

The average consumer and the nature of the purchasing act

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 goods or services in question (see *Lloyd Schuhfabrik Meyer*, Case C-342/97).

29. 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:

“60. 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.”

30. The applicant contends that the goods and services contained within both the application and the earlier mark are specialised products and services relating to electricity and the control and distribution thereof. They also argue that they

will be significant purchases to the consumer who will therefore display a higher-than-average degree of attention during the purchasing act.

31. Given the technical nature of the goods and services they are likely to be aimed at specialist business users. Bearing in mind the nature of the goods and services, they are likely to be purchased relatively infrequently. I would expect them to be sold through specialist retailers, be that from bricks and mortar premises, through tele-sales, or via the internet. The selection of the goods and services will be relatively important to the average consumer, with the purchasing act likely to follow a measured thought process such that the goods and services are unlikely to be purchased casually or as a matter of routine. Considerations such as technical reviews of the goods, price, quality, ease of use, suitability of the product and the reputation of the service provider would be taken into account before purchasing. The selection process would be a combination of visual and aural; some consumers would seek information from written reviews and recommendations, particularly on the internet, whereas others would receive verbal advice from sales representatives, particularly in the case of tele-sales. Considering all of these factors, I agree with the applicant that the consumer is likely to pay an above average, but not high, level of attention during the purchasing process.

Comparison of trade marks

32. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgement 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”.

33. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the trade marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the trade marks.
34. The trade marks to be compared are as follows:

The opponent's mark	The applicant's mark
UK00003964512	UK00003984411
Smappee Smartstop	smartSTOR

35. The opponent, in the TM7F, argues that the applicant's mark 'smartSTOR' and its earlier mark 'Smappee Smartstop' are similar from a visual, phonetic and conceptual point of view. This is because the applicant's mark and the element 'Smartstop' in its mark are highly similar (identical, save for the last letter R resp. P).
36. The applicant argues that the two marks are far from similar. It states that the opponent's mark includes the highly distinctive word Smappee on an initial position which consumers will be drawn to and which will play a prominent role in the overall impression. Turning to the second element of the opponent's mark, the applicant accepts that this shares the word 'smart' with its mark. They go on to submit that the word 'smart' is a low/non-distinctive word, particularly in respect to goods and services in classes 09 and 42. That being the case, the applicant argues that the presence of the word 'smart' in both marks will not be sufficient to render them similar. Additionally, the applicant argues that the fact

that their mark is stylised as 'smartSTOR' whereas the opponent's is 'Smartstop' is also essential to the assessment. They submit that the 'STOR' portion of the mark would be identified as the dominant visual element and is therefore the distinctive part of their mark. Further the applicant considers that this section would be perceived as a meaningless word by the average consumer, or alternatively as a reference to the word STORE. Moving onto the phonetic assessment, the applicant submits that the marks are dissimilar. They state that the respective marks differ significantly in length where their mark has two syllables, whereas the opponent's has four. Furthermore, the opponent's mark starts with the highly distinctive element 'Smappee' and the only mutual element shared with the applicant's mark is the low/non-distinctive word 'smart'. Finally, from a conceptual point of view, the applicant contends that the two marks are also dissimilar. The applicant added that the mutual word 'smart' is used in conjunction with 'STOR' ('store') in their mark and 'stop' in the opponent's mark, such that the idea evoked is that of a 'smart store' and 'smart stop', respectively, which are different.

Overall Impression

37. The opponent's mark consists of the two words 'Smappee Smartstop'. There are no other elements in the mark to contribute to its overall impression, which lies in the words themselves. In my view, the first element of the mark namely the word Smappee plays a greater role due to it being a completely made-up word. The second element 'Smartstop' is a combination of the two readily understood dictionary words 'smart' and 'stop' respectively. The applicant's mark on the other hand consists solely of the word 'smartSTOR', however it is likely to be perceived as a combining of two words namely, 'smart' and 'STOR', this element being understood as an allusion to the word 'Store'. There are no other elements in the mark to contribute to its overall impression and, in my view, neither word dominates so that it plays a greater role than the other.

Visual Comparison

38. The opponent's mark consists of two words, the first being made up of seven letters, and the second being made up of nine. The applicant's mark consists of one word made up of nine letters. The applicant's mark contains 8 of the same letters in the same order as the second word of the opponent's mark. The difference is the use of the letter R instead of P. The first word 'Smappee' in the opponent's mark is not present in the applicant's and is therefore a point of visual difference. As stated above, the applicant argues that their mark is stylised by the capitalisation of the letters 'STOR' which adds another point of visual difference. Whilst I acknowledge this, both marks are word only marks meaning that they are capable of being used in either upper case, lower case or any customary combination of the two. As such, the differing use of case in the marks is not a point of visual difference. Bearing in mind my assessment of the overall impression of the marks, I consider there to be between a low and medium degree of visual similarity.

Aural Comparison

39. Aurally, and as the applicant contends, I agree that the opponent's mark will be articulated as four syllables. The first element will be pronounced 'SMAP-EEE', and the second element 'SMART-STOP', both the words 'Smart' and 'Stop' will be articulated in the usual way. The applicant's mark on the other hand will be articulated as two syllables, the first (smart) will be pronounced in the usual way, and the second (STOR) will be pronounced in the same way as the dictionary word 'Store'. I therefore consider the marks to be aurally similar to between a low and medium degree.

Conceptual Comparison

40. The word 'Smappee' in the opponent's mark does not convey a concept. I consider that the relevant average UK consumer will ascribe no meaning to the word and instead conclude that 'Smappee' is an invented word or a word in a foreign language. The second element in the opponent's mark consists of the two combined dictionary words 'Smart' and 'stop', both of which are readily identifiable within the mark. The applicant argues that the word 'Smart' is

low/non-distinctive, especially in respect of the goods and services in classes 9 and 42, and that it is typically used to describe products that can connect to the internet, be operated by an app, and/or do more than their basic function. I agree. The dictionary definition of 'smart', namely being controlled by a computer, so that it appears to act in an intelligent way,¹ is how I believe the average consumer will perceive the word in both the opponent's and applicant's marks. This, combined with the word 'stop' in the opponent's mark conveys the idea that the goods will, in some intelligent way, cause something (electricity in this case considering the specification) to stop. The word 'STOR' in combination with the word 'smart' in the applicant's mark, meanwhile, conveys the idea that the goods will, in some intelligent way, accumulate and store something (electricity in this case considering the specification). It is therefore considered that the marks are conceptually similar to a low degree.

Distinctive character of the opponent's mark

41. 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

¹ https://www.oxfordlearnersdictionaries.com/definition/english/smart_1

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).”

42. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of a mark can be enhanced by virtue of the use that has been made of it. The opponent has not claimed that its mark has acquired an enhanced degree of distinctiveness and did not seek permission to file any evidence to that effect. As such, I have only the inherent position to consider.

43. The opponent’s mark features the combined English dictionary words ‘Smart’ and ‘stop’ and the made-up word ‘Smappee’. Of itself, the word ‘Smappee’ is highly distinctive, whereas the additional element ‘Smartstop’ is not. As mentioned previously, in its counterstatement the applicant argued that the element ‘Smartstop’ possesses low, or no, distinctive character as it could be argued that the opponent’s products may be used to stop/Smartstop (with the use of an app) electricity going through a system. Having considered the applicant’s argument; I am inclined to agree. The ‘Smartstop’ element is, in my view, highly suggestive of a feature of the goods i.e., that they intelligently stop electricity going through a system. So, whilst the overall distinctiveness of the mark is high (as a result of the ‘Smappee’ element), the ‘smartstop’ element is unlikely to add further distinctive character to the sign as a whole. To confirm, I find that the opponent’s mark enjoys a high degree of inherent distinctive character. However, for the avoidance of doubt, this finding stems from the dominant element of the mark, being the word ‘Smappee’.

Likelihood of confusion

44. 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 and services down to the responsible undertakings being the same or related.
45. 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 (see *Sabel*, C-251/95, para 22). The first is the interdependency principle i.e., a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa (see *Canon*, C-39/97, para 17). It is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and services, and the nature of the purchasing process. In doing so, I must be alive to the fact 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 he has retained in his mind.
46. Whilst conducting a global assessment of the likelihood of confusion I must be aware of the fact that not all aspects of the respective marks will necessarily have the same impact. For example, the importance of the respective visual, aural and conceptual aspects will be dependent on factors such as the way the goods and services at issue are marketed, and in which type of store/platform they are made available.
47. Throughout the course of this decision, I have determined that:
 - The respective goods range from being similar to a medium degree to identical.

- The average consumers are professional businesses who will demonstrate an above average but not high level of attention during the purchasing process.
- The purchasing process for the goods would be a combination of visual and aural.
- The opponent's mark possesses below a medium degree of inherent distinctive character.
- The marks at issue are visually similar to between a low and medium degree. The marks are aurally similar to between a low and medium degree. The marks are conceptually similar to a low degree.

48. Taking all of the above into account and even bearing in mind the principle of imperfect collection, I am of the view that consumers will be able to accurately recall which mark was which. While I appreciate that consumers may note the shared use of the word 'Smart', followed by the letters 's', 't' and 'o', I am of the view that they would remember that one mark included the distinctive word 'Smappee' and that the other did not. I also remind myself that it is the distinctiveness of the common element which is important.² In the present case, the common element of the marks is the word 'Smart,' as well as the three letters 's' 't' and 'o'. It is the distinctiveness of this element which is key. I have discussed above that this element does not contribute to the distinctiveness of the opponent's mark to any sufficient degree due to its highly suggestive nature. Instead, I found that the high degree of distinctiveness in the opponent's mark is attributable to the word 'Smappee', which has no counterpart in the contested mark. As such, I find that there exists no likelihood of direct confusion.

49. In determining the issue of direct confusion, I wish to point out that I have given consideration to the *Medion* principle, the correct approach to which was out in the case of *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015]

² See paragraphs 38 and 39 of *Kurt Geiger v A-List Corporate Limited*, BL O-075-13

EWHC 1271 (Ch).³ In short, I do not consider that consumers would perceive the opponent's mark as a composite mark consisting of two signs (being 'Smappee' and 'Smartshop'). Even if they did, they would not believe that 'Smartstop' was a distinctively significant element that was independent of the significance of the whole. This is on the basis that it will, instead, be perceived as a highly allusive element that consumers will attribute no independent significance. As a result, the *Medion* principal is not applicable here.

50. Having found no likelihood of direct confusion between the marks, I now turn to consider a likelihood of indirect confusion. In respect of such, I remind myself of the case of *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, wherein Mr Iain Purvis Q.C., 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

³ See paragraphs 18 to 21

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.).

(a) 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)".

51. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, 16 pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.
52. I appreciate that the opponent's mark enjoys a high degree of distinctive character, however, I have found that this lies in the element 'smapee', which is not directly replicated in the applicant's mark. Instead, the marks at issue share the string of letters 'smartsto'. Therefore, it does not follow that the marks can be said to share an element so strikingly distinctive that consumers would believe that only one undertaking would use it. Further, I see no reason why the relevant consumers would view the differences between the marks and believe them to be logical indicators consistent with a brand extension or sub-brand. Whilst I appreciate that the *L.A. Sugar* categories (referred to above) are not exhaustive, I do not see any other plausible basis on which to conclude that

consumers would see the competing marks as deriving from economically linked undertakings. Instead, in my opinion, the shared string of letters will be seen as merely coincidental, especially given the connection of the word 'smart' in the context of the goods and services at issue. Consequently, and bearing in mind the comments of Arnold LJ and Mr Mellor Q.C in the preceding paragraph, I do not consider there to be a likelihood of indirect confusion, even where I have found the goods to be identical.

Conclusion

The opposition has failed in its entirety. Therefore, subject to any successful appeal, the application may proceed to registration for all goods and services.

Costs

53. As the applicant has been successful it is entitled to a contribution towards its costs. The relevant Tribunal Practice Notice for these proceedings is TPN 1/2023, which states that costs in an opposition brought under the fast-track procedure are capped at £600 (excluding official fees). Accordingly, I award costs to the opponent on the following basis:

Considering the notice of opposition and preparing the counter statement	£250
Written submissions in lieu	£250
Total	£500

54. I therefore order **Smappee, naamloze vennootschap** to pay **POWERSVAULT LTD** the sum of £500. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 1st day of November 2024

**Oliver Rose'Meyer
For the Registrar**