O/1144/24

TRADE MARKS ACT 1994

IN THE MATTER OF UK DESIGNATIONS OF INTERNATIONAL REGISTRATION NOS. 1643646 & 1670612
IN THE NAME OF HUIZHOU SHUNBU TECHNOLOGY CO., LTD.
IN RESPECT OF THE TRADE MARKS

Audio Vivid

And

IN CLASSES 9, 41 & 42

AND

THE CONSOLIDATED OPPOSITIONS THERETO UNDER NOS. 440641 & 441465
BY BLAST LOUDSPEAKERS LIMITED

Background and pleadings

1. On 28 October 2021, Huizhou Shunbu Technology Co., Ltd. ("the holder") applied to protect International Registration ("IR") no. 1643646 for the first mark displayed on the cover page of this decision ("the contested word mark"). On 8 July 2022, the holder applied to extend its protection under the IR to the UK. It was accepted and published in the Trade Marks Journal on 3 February 2023 in respect of goods and services in classes 09, 41 and 42. The goods in class 9 are relevant to these proceedings and are set out below:

> Class 9: *Microchips [computer hardware]; monitors [computer hardware]; computer hardware; computer networking hardware; mounting racks for computer hardware; computer peripheral devices; computer software, recorded; computer software applications, downloadable; computer software platforms, recorded or downloadable; downloadable applications for use with mobile devices; application software for mobile phones; computer software for controlling and managing access server applications; computer software for controlling self-service terminals; computer utility programs for computer maintenance; computer software for wireless content delivery; downloadable computer software programs; computer software to maintain and operate computer systems; data processing apparatus; computer programmes, recorded; computers; processors [central processing units]; tablet computers; liquid crystal displays; flat panel displays; LED displays; smartphones; network communication equipment; apparatus for transmission of communications; image intensifiers; television apparatus; set-top boxes; television monitors; virtual reality headsets; audio- and video-receivers; video projectors; devices for playing sound and image carriers; cameras; camcorders; transducers; video screens; chips [integrated circuits].*

2. On 3 May 2023, Blast Loudspeakers Limited ("the opponent") opposed the contested word mark in class 9 only on the basis of section 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

3. The opposition under section 5(2)(b) is based on the opponent's earlier UK Trade Mark registration no. 3079559 for the mark VIVID AUDIO, and relies on the following goods under this mark:

> Class 9: *Apparatus and equipment for reproduction or amplification of sound or sound signals; loudspeakers.*

4. The opponent argues that the respective goods are highly similar or identical, and that the marks are highly similar, and there will therefore be a likelihood of confusion, including a likelihood of association between the marks. As such, the opponent submits that the contested word mark should be refused in accordance with section 5(2)(b).

5. In respect of its opposition based on section 5(3) of the Act, the opponent relies on the same earlier mark, opposes the same class 9 goods, and claims to hold a reputation in respect of the same goods as those relied upon under its 5(2)(b) ground. The opponent argues that by virtue of its reputation and the similarity of the marks and the goods, the consumer will make a link between the marks, and will believe that there is an economic connection between the entities responsible for them. The opponent also argues that the contested word mark will take unfair advantage of the reputation of the earlier mark, both due to the mistaken association with that mark, and on the basis that the opponent's mark will be brought to mind by the use of the contested word mark, which in turn will benefit from the transfer of the earlier marks power of attraction. It also argues that use of the contested word mark may cause detriment to the reputation and to the distinctive character of the earlier mark. The opponent therefore argues that the contested word mark should be refused registration for the opposed goods in accordance with section 5(3) of the Act.

6. In respect of section 5(4)(a) of the Act, the opponent argues that by virtue of its use throughout the UK since September 2004, it has goodwill in its business as distinguished by the sign VIVID AUDIO in respect of the goods relied upon under section 5(2)(b) and 5(3), and that use of the contested word mark in relation to the goods applied for in class 9 will result in a misrepresentation that this is use by the opponent, which in turn would result in damage to the opponent. It therefore argues that the holder's mark should be refused under section 5(4)(a) of the Act.

7. On 18 March 2022, the holder applied to protect IR no. 1670612 for the second mark displayed on the cover page of this decision ("the contested logo mark"). On 8 July 2022, the holder applied to extend its protection under the IR to the UK. It was accepted and published in the Trade Marks Journal on 17 March 2023 in respect of goods and services in classes 09, 41 and 42. Again, the goods in class 9 are relevant to these proceedings and these mirror the class 9 services filed under the contested word mark as set out previously.

8. On the 19 June 2023, the opponent opposed the contested logo mark under sections 5(2)(b), 5(3) and 5(4)(a) of the Act. Under section 5(2)(b), the opponent relies on the same earlier mark and the same earlier goods as it did in the opposition against the contested word mark, and again opposes all of the class 9 goods under this mark. The opponent argues that the goods are identical or similar, and that the marks are highly similar, and that as such there exists a likelihood of confusion including a likelihood of association between the marks. The opponent therefore agues the contested logo mark should be refused in relation to goods in class 9 under section 5(2)(b) of the Act.

9. The opponent also relies on the same earlier mark, the same arguments, and same goods as in the opposition against the contested word mark under section 5(3), to oppose the contested logo mark under section 5(3). Again, the opponent opposes all of the class 9 goods under this ground.

10. In respect of section 5(4)(a) of the Act, the opponent again relies on its claimed goodwill as distinguished by the sign VIVID AUDIO for the same goods, and argues that use of the contested logo mark in relation to the goods applied for in class 9 will result in misrepresentation and damage to the opponent. The opponent therefore argues that the contested logo mark should be refused under section 5(4)(a) of the Act.

11. The holder filed a counterstatement in each set of proceedings. In both counterstatements filed, it denies that the marks or goods are similar, or that the contested marks should be refused under section 5(2)(b). The holder also denies that the contested marks are without due cause, or that they will take advantage of, or will be detrimental to, the distinctive character of the earlier mark. It also denies that the

opponent has goodwill or reputation in its sign or that use of the contested marks would result in a misrepresentation that would cause damage. The holder puts the opponent to "strict proof" of its case under section 5(2)(b), 5(3) and 5(4)(a) of the Act. The holder also requests the opponent provides proof of use of its earlier mark.

12. On 26 September 2023, the Tribunal wrote to the parties, informing them that the two oppositions would be consolidated in accordance with Rule 62(1)(g) of the Trade Marks Rules 2008. The oppositions proceeded as one consolidated matter thereon after.

13. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

14. The holder is represented in these proceedings by Forresters IP LLP. The opponent is represented by Dehns.

15. 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

16. The opponent filed its evidence in the form of two witness statements. The first is in the name of Laurence George Dickie, Engineer and Technical Director of Vivid Audio, Director of the opponent, and of Vivid Audio UK and Vivid Audio Limited, and "50% owner of the VIVID AUDIO brand and business". The statement is dated 27 November 2023. The statement introduces 8 exhibits, namely Exhibit LGD1 – Exhibit LGD8. This evidence goes to the use of the mark VIVID AUDIO.

17. The second statement filed is in the name of Jason Tyl O'Brien Kennedy, Journalist and Publisher. The statement is dated 27 November 2023. Mr Kennedy explains he writes for Hi-Fi+ magazine, is the owner and editor of the website and online publication The Ear, and that he has known Mr Dickie since the late 1980s. His statement introduces a single exhibit, namely Exhibit JTOBK1, and goes to the use of the mark.

Proof of use

18. The opponent's earlier mark relied upon in both oppositions was registered on 30 January 2015. As it had been registered for a period of more than five years at the date on which the protection for the contested marks was extended to the UK, it is subject to the proof of use provisions in accordance with section 6A of the Act.

19. The relevant statutory provisions are as follows:

Section 6A:

"(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the "variant form") differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services."

20. Section 100 of the Act states that:

"100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

21. The UK designation date for both of the contested marks is 8 July 2022. The relevant period within which the opponent must prove use of its earlier mark in both instances is the five-year period directly proceeding (and including) that date, namely 9 July 2017 – 8 July 2022.

22. In his witness statement, Mr Dickie explains that Vivid Audio UK Limited was established in 2009 and is responsible for purchasing VIVID AUDIO products from their South African manufacturer, for distribution in the UK. He explains that these companies all use the VIVID AUDIO trade mark under the authorisation and on behalf of its owner, Blast Loudspeakers Limited.[1] He explains that the VIVID AUDIO business designs, manufactures, and sells high-end speakers and audio equipment, including loudspeakers and other apparatus for reproduction or amplification of sound or signals. He also explains that they also provide maintenance, repair and customisation services.[2]

23. Mr Dickie explains that him and his South African partner began the design of the loudspeaker known as the B1 in 2001. They went into production with the 'Oval' B1, and other larger speakers in 2004. Further models were launched between 2005 and 2020, and the partners are currently working on another model to be launched next year. He explains the products are sold in / exported to the UK amongst a number of other territories around the world.[3]

24. Exhibit LGD2 is a printout from the Vivid Audio website vividaudio.com. It states "[t]he Vivid Audio team represents over 4 decades of experience delivering products featuring more than just innovative engineering and bespoke parts. Our goal is to produce the worlds [sic] pre-eminent High-end loudspeaker systems" and consistent reference to loudspeakers is made. It displays loudspeakers offered under the mark Vivid Audio, including within the logo (hereinafter referred to as "the Vivid Audio logo") set out below, however, it is noted that the pages date from 2023, outside of the relevant period:

[1] See paragraph 3 of the witness statement of Mr Dickie
[2] See paragraph 4 of the witness statement of Mr Dickie
[3] See paragraph 5 of the witness statement of Mr Dickie

25. I note at this stage that it is my view the use of the word mark in a slightly bolder followed by a slighter font and with the italic letters as shown, is acceptable use of the earlier word mark.[4] Further, it is my view that the wording itself maintains its role as an indicator of origin within the mark. As such, I find the Vivid Audio logo to constitute an acceptable variant of the earlier mark.[5]

26. Exhibit LGD3 provides price lists for the goods between 2008 – 2022. Prices for the goods between 2017 – 2019 (being within the relevant period) range from £800 for a stand, to between £3,000 - £69,000 for the loudspeakers. A further price list, presumably from 2021 or 2022 (the list confirms that prices will increase from 1 May 2022) states that prices start from £1,500 for a stand, and between £6,000-£69,000 for the loudspeakers.

27. Invoices to UK consumers are provided at Exhibit LGD4. These show the Vivid Audio logo at the top. Twelve fall within the relevant period. Some reference the sale of loudspeakers, whilst others reference repairs or alterations.

28. Exhibit LGD5 is an image of what appear to be stickers displaying the Vivid Audio logo. Mr Dickie confirms these are serial number stickers that are attached to each finished product prior to shipping.[6]

29. Mr Dickie has provided UK sales figures for goods under the Vivid Audio mark for the years 2009 – 2023 at paragraph 8 of his witness statement as follows:

Financial Year	**Gross sales in UK (GBP £)**
2009-2010	23246.75
2010-2011	24672.60
2011-2012	77455.85

[4] The earlier mark is filed as a word mark, which protects the words contained in the mark, whatever form, colour or typeface are used: see *LA Superquimica v EUIPO*, Case T-24/17, paragraph 39.
[5] In *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark, provided that it continues to be perceived as indicative of the origin of the product at issue.
[6] See paragraph 9 of the witness statement of Mr Dickie.

2012-2013	42988.51
2013-2014	84567.70
2014-2015	45083.25
2015-2016	72011.17
2016-2017	62874.00
2017-2018	45760.00
2018-2019	38339.00
2019-2020	58440.00
2020-2021	46778.00
2021-2022	3749.00
2022-2023	30631.00

30. Alongside the sales figures, Mr Dickie has provided a table showing the number of units sold in the UK at paragraph 8.1 of his statement, as below:

Year(s)	**Units sold (all models)**
2005-08	8
2009	14
2010	2
2011	15
2012	12
2013	29

2014	13
2015	12
2016	17
2017	8
2018	6
2019	8
2020	20
2021	0
2022	6
2023	4

31. Further, a table showing the UK promotional expenditure is provided by Mr Dickie at paragraph 9.4., as below:

Financial Year	**Marketing costs (£)**	**Exhibition costs (£)**	**Advertising costs (£)**
2009-2010	16328.87	335.00	11204.80
2010-2011	6412.06		5058.53
2011-2012	30.97	1022.52	70.44
2012-2013	540.00	6876.72	2450.00
2013-2014	12025.76	3175.70	2620.00
2014-2015		10.00	5720.00
2015-2016	1849.00	2397.36	220.00

2016-2017	5175.00	4132.00	4175.00
2017-2018	341.00		6276.00
2018-2019	275.00	3924.00	3370.00
2019-2020			200.00
2020-2021			430.00
2021-2022			3520.00

32. Exhibit LGD6 provides what Mr Dickie describes as promotional material. This shows loudspeakers under the mark Vivid Audio or the Vivid Audio logo. Mr Dickie provides a table within his witness statement which identifies that four of the promotional items provided are from within the relevant period, in addition to the Vivid Audio brochure dating from 2017. Two of these are the cover of HiFi news magazine displaying Vivid Audio loudspeakers on the front in January & September 2018. The magazine covers provide a UK web address and are priced (firstly) in GBP, and it appears safe to assume they are aimed at the UK market. There is a 'Q&A' article featuring Mr Dickie dating from May/June 2020 from The Absolute Sound magazine. This features the mark and discusses Mr Dickie's background and pursuit in the high-end loudspeaker market, although it is not entirely clear that the publication is aimed particularly at UK consumers. There is a further advertisement from HiFi News magazine provided dating from September 2021, in which a loudspeaker is shown and reference to the mark Vivid Audio is used.

33. A printout of the opponent's website is provided at Exhibit LGD7. This lists various awards won. Those within the relevant date include:

- Audiophile-Magazine 'Grand Frisson 2021'
- Stereo Sound Grand Prix 2021
- The Ear Editor's Choice 2021
- Product of the Year 2020 from Swedish magazine Ljud och Bild

- PF Brutus Award 2020
- SoundStage network Product of the Year 2020
- Secrets best of awards 2020
- High-End Loudspeaker of the Year 2018

34. Reviews from third party websites are also provided within this exhibit, including two from Hifinews.com dated from 1 January 2018 and 1 September 2018. Both reviews reference the cost of the loudspeakers under the Vivid Audio mark in GBP, which points to these articles being aimed at UK consumers.

35. Exhibit LGD8 provides a printout from the Vivid Audio website which details snippets of customer reviews. The reviews are dated on the website, and a number are from within the relevant period, however, it is not entirely clear how many are from UK consumers.

36. As a reminder, the witness statement of Mr O'Brien Kennedy confirms he writes for Hi-Fi+ magazine, and is the owner and editor of the website and online publication The Ear, and that he has known Mr Dickie since the late 1980s. He explains he believes that the Hi-Fi+ magazine has a monthly circulation of roughly 5,000, whilst The Ear website receives around 90,000 visits per month.[7] He states he has known about the VIVID AUDIO brand since 2004.[8] He explains he has reviewed a number of the opponent's loudspeakers for HI-Fi+ magazine and The Ear, and that he has published numerous trade show reports about Vivid Audio going back to 2014 and beyond. Exhibit JTOBK1 provides a selection of these. It includes:

- A write up of Vivid Audio loudspeakers in the-ear.net dated 9 April 2018;
- A review of Vivid Audio loudspeakers on hifiplus.com dated 6 November 2018
- A review of 'Vivid' loudspeakers on the-ear.net dated 26 April 2021

[7] See paragraph 3 of the witness statement of Mr O'Brien Kennedy
[8] See paragraph 5 of the witness statement of Mr O'Brien Kennedy

- A review of Vivid Audio loudspeakers on the-ear.net dated 25 September 2020

- A review of ‘Vivid’ loudspeakers in ‘the ear’ dated 15 July 2022

- A review of ‘Vivid’ loudspeakers on the-ear.net dated 12 September 2022

- A further review of a ‘Vivid’ loudspeaker, although the date and publication is not clear.

37. I note that not all of the articles provided by Mr O’Brien Kennedy refer to the mark VIVID AUDIO in full, with some referring only to ‘Vivid’.

38. From the sum of the evidence provided, it appears to me that there has been use of the mark VIVID AUDIO or an acceptable variant, by (or with the consent of) the opponent in the UK in relation to loudspeakers, within the relevant period. However, the question I find myself asking here is whether the use shown is sufficient to constitute a genuine attempt to create and maintain a market in the UK. I note the sales figures provided are fairly low, but mostly sit within the tens of thousands each year within the relevant period, with the exception of 2021-2022. However, considering these in the context of the cost of the goods, and indeed alongside the helpful table provided by the opponent showing the units sold in the UK each year, it becomes clear that the yearly turnover equates only to a limited number of sales each year, and at best, 42 within the relevant period. Whilst I do not have any evidence relating to the market for loudspeakers as a whole, I consider that these sales will constitute what can only be a tiny portion of the same. However, the evidence clearly shows that the loudspeakers sold by the opponent are not only particularly expensive, but also do not appear to be directed towards a mass commercial market (for example, for use in gigs, concerts or nightclubs). Whilst I note the page dates from after the relevant date, the Vivid Audio website describes its customers in the following manner:

> “Our customers include dedicated audiophiles, discerning music lovers, home entertainment aficionados and those who recognise, expect and demand the very best in everything”

39. The reviews provided in the evidence refer to the products as ‘high end’. In his article dated 6 November 2019, when reviewing a Vivid Audio loudspeaker, Mr O’Brien Kennedy jokes that it does not matter that he likes the aesthetic of the speakers whilst his household doesn’t, as he cannot afford one. The speakers are offered in bespoke paint effects, and it is confirmed in Mr Dickie’s witness statements at paragraph 11 that the goods are all made to order. He also argues that Vivid Audio occupies a position in the niche end of the consumer electronics industry.

40. Considering the evidence as a whole, and notwithstanding the low numbers of unit sales, it is my view that in the context of the niche, high end goods sold, the use is sufficient to show a genuine attempt to create and maintain a market for the loudspeakers under the mark in the UK within the relevant period.

Fair specification

41. I now consider what I find to be a fair specification based on the use of the mark shown. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited,* BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

> “In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

42. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

> “iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Pl*c [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

43. The opponent relies on the following goods in class 9 in this opposition:

Class 9: *Apparatus and equipment for reproduction or amplification of sound or sound signals; loudspeakers.*

44. It is my view that *Apparatus and equipment for reproduction or amplification of sound or sound signals* is broad and may be broken down into a number of subcategories, many of which the opponent has shown no use in relation to. It is my view that the consumer would fairly describe the goods for which the opponent's mark has been used as *loudspeakers*. This, in my view, constitutes a fair specification upon which the opponent may rely for the purposes of this opposition.

Decision

Section 5(2)(b)

45. Section 5(2)(b) of the Act is 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".

46. 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."

47. 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.

The principles

(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

48. 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".

49. 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.

50. 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. 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."

51. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)***,** Case T-325/06, the General Court ("GC") stated that there is complementarity where:

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

52. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the GC stated that:

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur 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". With that in mind, the goods and services for comparison under this ground are as follows:

53. With the above in mind, the goods and services for comparison are as follows:

Earlier goods	Contested goods
Class 9: *Loudspeakers*	Class 9: Microchips [computer hardware]; monitors [computer hardware]; computer hardware; computer networking hardware; mounting racks for computer hardware; computer peripheral devices; computer software, recorded; computer software applications, downloadable; computer software platforms, recorded or downloadable; downloadable applications for use with mobile devices; application software for mobile phones; computer software for controlling and managing access server applications; computer software for controlling self-service terminals; computer utility programs for computer maintenance; computer software for wireless content delivery; downloadable computer software programs; computer software to maintain and operate computer systems; data processing apparatus; computer programmes, recorded; computers; processors [central processing units]; tablet computers; liquid crystal displays; flat panel displays; LED displays; smartphones; network communication equipment; apparatus for transmission of communications; image intensifiers; television apparatus; set-top boxes; television

	monitors; virtual reality headsets; audio- and video-receivers; video projectors; devices for playing sound and image carriers; cameras; camcorders; transducers; video screens; chips [integrated circuits].

54. The contested goods include *devices for playing sound.* These will include the opponent's *loudspeakers*, and I therefore find them identical in accordance with the principles set out in *Meric*.

55. Collins dictionary[9] defines the term *transducer* as follows:

> ***transducer***
> ***in British English***
>
> ***noun***
> *any device, such as a microphone or electric motor, that converts one form of energy into another*
>
> ***transducer***
> ***in American English***
>
> ***noun***
> *any of various devices that transmit energy from one system to another, sometimes one that converts the energy in form, as a speaker that converts electrical impulses into sound*

56. It is my view that the opponent's goods *loudspeakers* are a type of transducer. I therefore consider these goods identical in accordance with the principles set out in *Meric*.

57. The contested goods include *television apparatus; television monitors*; *video projectors* and *video screens.* I consider that these goods may well be used alongside the opponent's loudspeakers in a home entertainment or home theatre set up, but they are not strictly important for one another, and I do not consider them to be complementary or in competition. They may be sold together in general electronics stores as well as in stores dealing with home entertainment or home theatre set ups

[9] https://www.collinsdictionary.com/dictionary/english/transducer [accessed 28 November 2024]

particularly. They may share consumers, particularly members of the general public looking to buy a complete home entertainment or home theatre system. However, the specific nature, purpose and method of use of the goods will differ. Overall, it is my view there will be a low degree of similarity between these goods.

58. The contested goods include *liquid crystal displays; flat panel displays* and *LED displays.* It is my view that these are all types of, or include types of, TV monitors. I therefore find them similar to the opponent's goods to a low degree for the same reasons as set out above.

59. It is my understanding that *audio- and video-receivers* are electronic devices that control, for example, what sound is played through speakers. Again, I consider this may well be used with the opponent's loudspeakers, separate to or as part of a home entertainment set up. Again, they may share consumers, particularly members of the general public looking to buy a loudspeaker system for their home, or professional consumers looking to invest in the same for their business. They will also likely share trade channels, and both be sold in general electronics or more specialised stores. There may also be a level of complementarity, with the goods being at least important for one another to the extent that consumers may believe they are offered by the same entities. However, the specific nature, purpose and method of use will differ. Overall, I find the goods to be similar to a medium degree.

60. The contested goods include *apparatus for transmission of communications.* It is my view that the ordinary and natural meaning of this term will include apparatus used to transmit communications to and from one location to another, such as, for example, a telephone or a radio, and the related apparatus for sending those signals from one piece of apparatus to another. I do not believe this term will cover loudspeakers, which will simply receive signals to play music from another device. For completeness, I note it is my view that this term will not cover televisions, which I consider will also passively receive signals, rather than transmit communications as such. I do not consider loudspeakers will share a nature, method of use or specific purpose (for amplifying volume) with the contested goods, nor do I consider these to be in competition or complementary. Whilst I note that on occasion, loudspeakers may be connected to a

device such as a telephone to play music, I do not consider the relationship is one that would lead consumers to believe the goods are commonly offered by the same entities. I note there is a possibility for an overlap in trade channels in terms of general electronics stores, and an overlap in consumers by way of the general public, but I do not consider this sufficient to find any meaningful similarity between the goods.

61. I consider the ordinary and natural meaning of the contested *network communication equipment* will include goods such as modems, routers, and hubs, used to transfer signals within a network. I do not consider these to share a nature, purpose, or method of use with the opponent's loudspeakers, nor do I consider these to be complementary or in competition. Whilst there may be a general overlap in consumers by way of the general public, and a general overlap in terms of trade channels, I do not consider this sufficient to find any meaningful similarity between the goods.

62. The contested goods include *computer software for wireless content delivery* as well as *application software for mobile phones.* I consider that the former term will cover software applications used to wirelessly deliver and play music through loudspeakers. The latter term, being very broad, will cover all types of mobile applications, including those used to connect with and play music through digital loudspeakers. I consider there to be a level of complementarity where that is the case, in the sense that loudspeakers will be essential for the use of applications for use with loudspeakers, and the consumer would consider these would likely be offered by the same entities. However, I do not consider that the nature, method of use, or specific purpose would be shared, nor do I consider the goods would be in competition. Users would be shared however, in the sense that a member of the public purchasing the loudspeaker may also purchase or download for free the mobile application to use alongside it. Whilst these may be offered by the same entities, trade channels in terms of where they are purchased will likely differ. Overall, I find a low to medium level of similarity between the contested goods and the opponent's goods in this instance.

63. It is my view that the following contested goods may all include *application software* such as described above:

computer software, recorded; computer software applications, downloadable; computer software platforms, recorded or downloadable; downloadable applications for use with mobile devices; downloadable computer software programs; *computer programmes, recorded*

64. It is therefore my view that the same comparison applies in respect of the above goods as it did to the contested *application software for mobile phones* and these goods are similar to the opponent's *loudspeakers* to a low to medium degree.

65. The contested goods include *computer peripheral devices.* It is my view that these may include speakers. Whilst I do not consider it likely these will be loudspeakers as such, I find they will have a very similar nature to the opponent's goods, will be likely to share trade channels and possibly producers. The intended purpose of the goods, to amplify sound, will be shared, although the purpose of the opponent's loudspeakers will be to amplify sound to a greater extent. Due to the nuances in purpose, I find it unlikely there will be significant competition between the goods, and I do not consider them to be complementary, and users will only be shared to the extent that both sets of goods may be purchased by the general public. However, overall I consider the goods to be similar to between a medium and high degree.

66. In respect of the contested goods *monitors [computer hardware]; computer hardware; computer networking hardware; computers; tablet computers* and *smartphones,* I do not find there will be a shared nature, purpose or method of use with the opponent's loudspeakers. Whilst I note there the possibility that a computer, tablet computer or smartphone may be used in conjunction with loudspeakers, I find it unlikely they will be purchased together for this purpose, and I do not consider these to be complementary. Whilst I note the possibility for shared trade channels, this will likely be at a fairly general level, for example within an electronics store. Overall, I do not find any meaningful similarity between the goods.

67. The contested goods include *microchips [computer hardware]; processors [central processing units]* and *chips [integrated circuits].* These goods will not share a nature, purpose, or method of use with the opponent's goods. I do not consider there would be competition or complementarity between the goods, and I do not find there would

be more than a very general overlap in trade channels and users. Overall, I find the goods to be dissimilar.

68. The contested goods also include *computer software to maintain and operate computer systems; computer software for controlling and managing access server applications; computer software for controlling self-service terminals; computer utility programs for computer maintenance.* Again, as above, these goods will not share a nature, purpose, or method of use with the opponent's goods. I do not consider there would be competition or complementarity between the goods, and I do not find there would be more than a very general overlap in trade channels and users. Overall, I find the goods to be dissimilar.

69. The ordinary and natural meaning of the contested *data processing apparatus* will be apparatus designed particularly for the purpose of converting (or 'processing') data. Whilst I note that loudspeakers will likely include to an extent some element which converts the information it receives into amplified sound, it is my view that to classify a loudspeaker as data processing apparatus would be to afford it such a liberal interpretation that its limit becomes fuzzy and imprecise and would therefore be contrary to principles set out in *YouView* (cited above). On this basis, I do not consider the purpose, method of use or specific nature of the goods to be shared. I do not consider them to be complementary or in competition, and I do not find there will be more than a very general overlap in trade channels or users. As such, I consider the goods to be dissimilar.

70. The contested goods include *virtual reality headsets; image carriers; cameras; camcorders.* I note at this stage that within its final submissions, the holder has stated that if I find that the opponent has shown genuine use of its mark in relation to the goods relied upon (its primary position is that the use shown is not sufficient for a finding of genuine use), then it accepts there is some similarity between the goods relied upon within the opposition and these goods, in addition to some of the other goods for which I have already found similarity above. However, I note that this concession is made on the assumption that the opponent has been allowed to rely upon its broader term *Apparatus and equipment for reproduction or amplification of sound or sound signals.* However, I have concluded that the opponent may rely on the narrower term *loudspeakers*. I therefore do not consider the holder's concession of

similarity based on the opponent's original specification relied upon equates to a concession that there is some similarity between loudspeakers and *virtual reality headsets; image carriers; cameras; camcorders.* Further, the opponent has not provided any convincing argument as to why I should find these goods similar to *loudspeakers* in particular.

71. Whilst I find it is possible *virtual reality headsets* might be used in conjunction with loudspeakers, I am not familiar with this myself. Without further evidence or submissions on this point, I find it more likely that use of loudspeakers alongside virtual reality headsets would be unusual, with the sound generally emanating from the headset itself. I do not consider any of the goods *virtual reality headsets; image carriers; cameras* or *camcorders* to be complementary to the opponent's *loudspeakers*, or to be in competition with these. I do not consider that they share a nature, intended purpose or method of use. Without further evidence or submission on this point, it is my view that whilst trade channels and users might be shared, this will only be to the extent that the goods may be sold at general electronics shops and be purchased by members of the general public. Overall, I find these goods dissimilar to the opponent's *loudspeakers*.

72. I understand that *set-top boxes* are used to gain access to a broader range of television channels. I do not consider these will share a nature, method of use or purpose with the opponent's loudspeakers. Without any evidence or submissions on this point, it is my view that these will more likely be provided by entities responsible for broadcasting the additional television channels than by entities responsible for specific audio or visual technology, and I consider these are unlikely to share trade channels other than where they are all sold in a general electronics store. Whilst I note there is a possibility these goods may be used in a home theatre set up, it is my view that these are less likely to be purchased together as the speakers and screens/projectors for example, which will both be vital for the same, whereas a *set-top box* will take on more a secondary role in a setup of that nature, if it features at all. Considering all of the factors, I do not find any meaningful similarity between the contested *set-top boxes* and the opponent's *loudspeakers*.

73. The contested goods include *mounting racks for computer hardware.* Considering all of the relevant factors, I do not consider there to be any points of similarity other

than a possibility for a general overlap in trade channels and users by way of the general public. I find no meaningful similarity between these contested goods and the opponent's earlier *loudspeakers*.

74. It is my understanding that an image intensifier is a specialist device which enables an image to be viewed more clearly. With consideration to the relevant factors, I do not find there will be any meaningful similarity between these goods and the opponent's *loudspeakers*.

75. Where I have found no similarity between the goods, the opposition based on section 5(2)(b) of the Act must fail. The opposition therefore fails in respect of the following goods:

> Class 9: *Microchips [computer hardware]; monitors [computer hardware]; computer hardware; computer networking hardware; mounting racks for computer hardware; computer software for controlling and managing access server applications; computer software for controlling self-service terminals; computer utility programs for computer maintenance; computer software to maintain and operate computer systems; data processing apparatus; computers; processors [central processing units]; tablet computers; smartphones; network communication equipment; apparatus for transmission of communications; image intensifiers; set-top boxes; virtual reality headsets; image carriers; cameras; camcorders; chips [integrated circuits].*

76. I will now continue with the opposition based on section 5(2)(b) of the Act in respect of the similar goods.

Comparison of marks

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

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

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

79. The respective trade marks are shown below:

Earlier trade mark	Contested trade marks
VIVID AUDIO	Audio Vivid AUDIO Vivid

80. The earlier mark comprises the two words VIVID AUDIO. Whilst the word VIVID is more distinctive in the context of the goods, the words hang together to convey the message of very clear sound. The overall impression therefore resides in the combination of the two words and the mark as a whole.

81. The contested word mark comprises of the two words Audio Vivid. Again, the word Vivid is slightly more distinctive in relation to most of the similar contested goods, however, the two words again convey the idea of clear audio despite the slightly unconventional order they are set out in, and the overall impression resides in the combination of the two words and the mark as a whole.

82. The contested logo mark comprises a device at the beginning of the mark, which appears to be a black shape with white lines running through it, followed by the stylised

wording AUDIO VIVID. Whilst I note the 'A' in the word Audio has not been 'crossed', it is my view that in the context of the word it will still be recognised as an A. I find the wording to be the most dominant element of the mark, and whilst the word VIVID will be more distinctive in the context of some of the contested goods, the words again convey the idea of clear audio, despite the slightly unconventional order they are set out in, and the words together play the greatest role in the marks overall impression. The shape device plays a lesser role in the overall impression of the mark, and whilst not entirely negligible, the stylisation of the words plays only a very small role in the same.

Visual comparison

83. The earlier mark coincides visually with the contested word mark through the use of the two identical words, albeit used in a different order in each of the marks. Overall, I find these to be visually similar to a high degree.

84. The contested logo mark shares the same points of visual similarity with the earlier mark, namely the use of the two words VIVID AUDIO in the reverse order. The use of the device element in the contested logo mark, the use of the words in a different order and the slight unusual stylisation of the text, particularly the A, all act as points of visual difference. Overall, I find the contested logo mark to be visually similar to the earlier mark to a medium degree.

Aural comparison

85. The earlier mark comprises the two words VIVID AUDIO, which will be pronounced in the known way. The two contested marks both contain the same words in the reverse order, namely AUDIO VIVID. This is the only verbal element in each. The marks are aurally similar to between a medium and high degree.

Conceptual comparison

86. I find that the wording in each mark, that being VIVID AUDIO and AUDIO VIVID, will convey the same concept to the consumer. It is my view that the order in which the words are set out will not, in this instance, have an impact on the same. It is my view it will convey the meaning of particularly clear sound. I do not believe a concept

will be attributed to the device element, and as such the marks are conceptually identical.

87. I note here, for completeness, that I have considered the holder's submission that whilst the opponent's mark will convey the concept of sound goods which are intense or powerful, the holder's mark would not convey this concept. There is no explanation provided regarding why the holder believes the same concept will not be conveyed by the holder's mark. Having considered the holder's submissions, I disagree with its position with regards to the lack of conceptual identity between the marks.

Average consumer and the purchasing act

88. 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: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

89. 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."

90. The average consumer of the similar goods will include members of the general public and professional or business users. In respect of the electronic goods sought by members of the general public, such as loudspeakers and television monitors for example, the consumer is likely to consider factors such as size, quality, reviews,

aesthetics and functionality. The goods are not everyday items and are likely to be relatively expensive compared to everyday consumers goods, and overall it is my view that a slightly above medium level of attention will be paid when purchasing the same.

91. The computer software goods may be free or come at a lower price point than the electronics themselves. However, consumers will likely still consider the functionality of the software, and the compatibility of the same with any electronics they may own. Overall, it is my view that the general public will pay a medium level of attention in respect of the same.

92. Where the goods are purchased by professionals or business owners, it is likely a slightly higher level of attention will be paid, due to the impact that choosing the correct items may have on the success of a business.

93. Generally, the goods will be purchased visually, with consumers viewing the marks on websites or on the outside of the retail establishments offering the goods. However, I cannot discount the possibility for word-of-mouth recommendations or telephone enquiries, in addition to the possibility for verbal assistance from retail staff, and as such I do not completely discount the aural comparison.

Distinctive character of the earlier trade mark

94. 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 *WindsurfingChiemsee* 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)."

95. As I previously set out, it is my view that the earlier mark conveys the idea of clear sound. This is, at best, allusive in respect of the goods, and is inherently fairly low in distinctive character.

96. Having again considered all the evidence filed by the opponent, including the evidence provided from prior to the relevant period for proving use, it is my view that this is not sufficient to show that the distinctiveness of the earlier mark would have been enhanced from the perception of the UK consumer at the relevant date. Notwithstanding the fact that opponent's goods are high-end and appear to be aimed at a particular niche in the market, it is my view that the very limited UK sales volumes, small marketing spend, handful of press articles and references to 'awards won' are simply not sufficient to demonstrate the distinctive character of the mark has been enhanced beyond its inherent level.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

97. Prior to reaching a decision under section 5(2)(b), I must first consider all relevant factors, including those as set out within the principles A-K at paragraph 47 of this decision. I must view the likelihood of confusion through the eyes of the average consumer, 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 they have kept in their mind. I must consider the level of attention paid by the average consumer, and consider the impact of the visual, aural and conceptual similarities of the marks by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. I must consider that the level of distinctive

character held by the earlier mark will have an impact on the likelihood of confusion. I must remember that the distinctiveness of the common elements is key.[10] I must keep in mind that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa. I must also consider that both the degree of attention paid by the average consumer and how the services are obtained will have a bearing on how likely the consumer is to be confused.

98. There are two types of confusion that I may find. The first type of confusion is direct confusion. This occurs where the average consumer mistakenly confuses one trade mark for another. The second is indirect confusion. This occurs where the average consumer notices the differences between the marks, but due to the similarities between the common elements, they believe that both products derive from the same or economically linked undertakings.[11]

99. In *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

100. I reiterate at this stage that where I found the goods to be dissimilar, there can be no likelihood of confusion between the marks.[12] The opposition under section 5(2)(b) of the Act fails in respect of those goods.

101. In respect of the remaining goods, I found these to range from identical to similar to a low degree to the opponent's goods. I found the contested word mark to be visually similar to a high degree, and the contested logo mark to be visually similar to a medium degree to the earlier mark. I found both contested marks to be aurally similar to between a medium and high degree, and to be conceptually identical to the earlier

[10] See *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, in which Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar.
[11] *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10
[12] See *eSure Insurance v Direct Line Insurance,* [2008] ETMR 77 CA

mark. I found average consumers would comprise members of the general public paying between a medium and slightly above medium level of attention to the goods, and that there would be a group of professional consumers paying a slightly higher level of attention in respect of the same. I found the purchasing process would be primarily visual, but that I cannot completely discount the aural factors. I found the earlier mark to hold only a low degree of inherent distinctive character, and I did not find this had been enhanced through the use made of it.

102. I note there are some of factors pointing in the holder's favour in this instance, such as the low degree of distinctiveness of the earlier mark and the low degree of similarity between some of the goods. However, I remind myself that whilst it is relevant to my overall assessment, a low degree of distinctive character does not preclude a likelihood of confusion.[13] Weighing up all of the factors in this case, is my view that those pointing in favour of the holder are outweighed by those pointing in favour of the opponent. I consider that the that the dominant and distinctive element of all of the marks comprise the same two words, albeit in reverse order, which convey in my view an identical concept, and I find it likely that even paying an above-medium level of attention, the consumer may fail to notice or recall the reverse order of the wording and/or the use of the additional fairly unremarkable device element and stylisation. It is my view that where there is similarity between the goods, there exists a likelihood of direct confusion in respect of the same.

103. For completeness, I will also consider the likelihood of indirect confusion between the marks. In *L.A. Sugar* (cited above) Mr Iain Purvis Q.C. (as he then was), as the Appointed Person set out three examples of when indirect confusion may occur as below:

> 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

[13] See *L'Oréal SA v OHIM*, Case C-235/05 P

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)."

104. I note that the examples above were intended to be illustrative and are not exhaustive.

105. I also keep in mind at this stage the factors considered and summarised in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), particularly that where an element of a mark is similar to or identical to an element in another mark, and it retains an independent distinctive role within the marks, it is possible that this may result in the average consumer being confused as a result of the identity or similarity of that sign to the earlier mark.

106. In this instance, it is my view that should the consumer notice that the wording in the contested marks had been reversed, there would be little reason for them to consider that this would be an intentional step taken by the same undertaking, and I do not consider it would form a proper basis for a finding of indirect confusion between the marks. However, I do consider that there may be instances where, in respect of the contested logo mark, the consumer may recall or notice the addition/omission of the additional device element and possibly the different stylisation of the words, but fail to notice that the order of the words themselves has changed. I consider that this scenario would be one that would give rise to a likelihood of indirect confusion in relation to the logo mark, with consumer believing that the use of the contested logo mark was simply use by the same entity of a more decorative/elaborate version of the earlier mark. Therefore, should I be wrong in my finding that the consumer will fail to notice or recall the device element and/or the stylisation of the contested logo mark, I

consider that there will nonetheless be a likelihood of indirect confusion in respect of the same.

Section 5(3)

107. The relevant statutory provisions are as follows:

Section 5(3) states:

"(3) A trade mark which-

is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".

108. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors,* Case C-252/07, *Intel,* Case C-408/01, *Adidas-Salomon,* Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C-383/12P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows:

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68*;* whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oreal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel,* paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier

mark; *L'Oreal v Bellure NV,* paragraph 40*.* The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oreal v Bellure NV*, paragraph 44.

(j) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure).*

109. An opposition based on section 5(3) of the Act can only be successful via the establishment of several individual elements. To be successful on this ground, the opponent must prove it holds a reputation for the earlier mark relied upon amongst a significant portion of the public. It must also be established that the marks are similar. If it is found both that the marks are similar and that the earlier mark holds a qualifying reputation it must then be shown that this reputation, combined with the similarity between the marks, will result in the relevant public establishing a link between the marks. A link may be found on the basis that the later mark brings the earlier mark to mind. Importantly, if all three of these elements have been established, it must then be shown that the link made by the public will result in, or will be likely to result in, one of the pleaded types of damage.

110. The relevant date for consideration under section 5(3) of the Act is the date the holder extended its protection into the UK in respect of the two contested marks, which in both cases is 8 July 2022. The opponent claims to hold a reputation in respect of its earlier mark for its goods relied upon in its pleadings at that date. However, when assessing the opponent's proof of use in relation to its earlier mark, I have found it

may rely on its protection for the goods '*loudspeakers*' only. These are therefore the goods that the opponent may rely on under section 5(3) of the Act.

Reputation

111. In *General Motors,* Case C-375/97, the CJEU held that:

> "25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
>
> 26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
>
> 27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.
>
> 28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

112. I have set out the extent of the opponent's evidence when considering proof of use, and also considered this again when assessing whether the opponent's mark holds an enhanced degree of distinctive character earlier in this decision. I will not repeat the evidence summary at this stage, but I note for completeness that I may consider evidence dating from prior to the relevant period for proof of use in my assessment of reputation. However, whilst I note the assessments are slightly different, the reasons I have set out as to why the opponents has not shown its mark holds an enhanced degree of distinctive character, are the same reasons why I do not

consider the opponent to have shown it holds a reputation in its earlier mark within the UK. The low sales volumes, the limited spend on advertising and marketing, coupled with the handful of press articles and reference to 'awards' won are simply not sufficient to show a reputation in the marks in respect of its goods, even considering the high-end niche they are aimed at. As the opponent has not persuaded me that it held a reputation for its mark within the relevant territory at the relevant date, the opposition based on section 5(3) of the Act must fail.

Section 5(4)(a)

113. Section 5(4)(a) states:

> "(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-
>
> > (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,
> >
> > (aa) […]
> >
> > (b) […]
>
> A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

114. Subsection (4A) of Section 5 states:

> "(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

The principles

115. In *Discount Outlet v Feel Good UK,* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

> "55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.
>
> 56. In relation to deception, the court must assess whether *"a substantial number"* of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

116. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

> "Establishing a likelihood of deception generally requires the presence of two factual elements:
>
> (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and
>
> (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.
>
> While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

(a) the nature and extent of the reputation relied upon,

(b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;

(c) the similarity of the mark, name etc used by the defendant to that of the claimant;

(d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

The relevant date

117. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

"43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is

> necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'"

In this instance, the holder has not filed evidence of use of its marks, and as such the relevant date is the date the protection for the contested marks was extended into the UK, that being 8 July 2022 in both instances.

Goodwill

118. The meaning of goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) as follows:

> "What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

119. There is no denying that the evidence filed by the opponent shows only a fairly small amount of use of its sign in relation to its business in *loudspeakers* in the UK. However, again, when considering the evidence in the context of goodwill as opposed to proof of use, there is slightly more evidence to consider, including the sales figures and marketing expenditure dating back to 2009, and the unit sales figures dating back to 2005. It is my view that the evidence as a whole shows that at the relevant date, there will have been a modest level of goodwill distinguished by the sign VIVID AUDIO in the UK.

120. However, I note in this instance, the opponent is Blast Loudspeakers Limited, whereas party responsible for running the operations in the UK is Vivid Audio UK Limited. There is therefore a question as to who owns the goodwill as distinguished by the VIVID AUDIO mark. *Wadlow on the Law of Passing-off* (6th Ed) sets out some of the factors to consider when there is a question as to the ownership of goodwill. It states [footnotes omitted]:

3-293 The factors which influence the ownership of goodwill were encapsulated by Lord Reid in *Oertli v Bowman*:

> "Bowmans made and marketed the *Turmix* machines without the appellants [plaintiffs] having controlled or having had any power to control the manufacture, distribution or sale of the machines, and without there having been any notice of any kind to purchasers that the appellants had any connection with the machines."

3-294 There are two distinct, and not necessarily consistent, standards in this passage. One is to ask who is in fact most responsible for the character or quality of the goods; the other is to ask who is perceived by the public as being responsible. The latter is (perhaps surprisingly) the more important, but it does not provide a complete answer to the problem because in many cases the relevant public is not concerned with identifying or distinguishing between the various parties who may be associated with the goods. If so, actual control provides a less decisive test, but one which does yield a definite answer.

3-295 To expand, the following questions are relevant as to who owns the goodwill in respect of a particular line of goods, or, mutatis mutandis, a business for the provision of services: (1) Are the goods bought on the strength of the reputation of an identifiable trader? (2) Who does the public perceive as responsible for the character or quality of the goods? Who would be blamed if they were unsatisfactory? (3) Who is most responsible in fact for the character or quality of the goods? (4) What circumstances support or contradict the claim of any particular trader to be the owner of the goodwill? For example, goodwill is more likely to belong to the manufacturer if the goods are distributed through more than one dealer, either at once or in succession. If more than one manufacturer supplies goods to a dealer and they are indistinguishable, the dealer is more likely to own the goodwill.

121. Having reviewed the evidence, I can see no mention to the UK consumer that an entity named Blast Loudspeakers Limited has any part to play in the manufacture or sale of *loudspeakers* under the sign Vivid Audio in the UK. The South African Manufacturer of the goods is identified in Mr Dickie's witness statement as Coherent Acoustic Systems CC. Vivid Audio UK Limited are responsible for purchasing the goods from the manufacture and distributing them for retail in the UK. The UK customer invoices provided reference Vivid Audio UK Ltd only. The price lists provided dating from 2009 onwards and prior to the relevant date reference Vivid Audio UK Ltd, or Vivid Audio Limited UK. The 2008 price list references Vivid Audio (PTY) Ltd. Where the articles provided identify the manufacturer of the goods, it is named as 'Vivid Audio', and the where the distributor is identified it is referenced as Vivid Audio UK or Vivid Audio UK Ltd. On occasion, the articles provided mention Coherent Acoustic Systems CC.

122. It is my view from the sum of the evidence that the answer to questions 1 and 2 set out in *Wadlow* will be Vivid Audio UK Limited. Without further evidence on the point, I find the answer to question 3 is most likely Coherent Acoustic Systems CC. The fact that the sum of the evidence suggests that UK consumers will have no knowledge of an entity named Blast Loudspeakers Limited supports a finding that they will not be the owner of any goodwill generated through UK use. It is possible there exists an agreement between the parties to the contrary, but I have not been provided with one. It is therefore my view that as the opponent will not own the goodwill under the sign in the UK, its opposition based on section 5(4)(a) of the Act cannot succeed.

Final remarks

123. The opposition based on section 5(2)(b) of the Act has been partially successful against both contested marks. Therefore, in addition to the unopposed services in classes 41 and 42, subject to any successful appeal, both IRs will be granted protection in the UK in respect of the following goods:

> Class 9: *Microchips [computer hardware]; monitors [computer hardware]; computer hardware; computer networking hardware; mounting racks for computer hardware; computer software for controlling and managing access server applications; computer software for controlling self-service terminals;*

computer utility programs for computer maintenance; computer software to maintain and operate computer systems; data processing apparatus; computers; processors [central processing units]; tablet computers; smartphones; network communication equipment; apparatus for transmission of communications; image intensifiers; set-top boxes; virtual reality headsets; image carriers; cameras; camcorders; chips [integrated circuits].

124. The IRs will be refused protection in the UK in respect of the following goods:

Class 9: *Computer peripheral devices; computer software, recorded; computer software applications, downloadable; computer software platforms, recorded or downloadable; downloadable applications for use with mobile devices; application software for mobile phones; computer software for wireless content delivery; downloadable computer software programs; computer programmes, recorded; liquid crystal displays; flat panel displays; LED displays; television apparatus; television monitors; audio- and video-receivers; video projectors; devices for playing sound; transducers; video screens.*

125. The oppositions based on section 5(3) and 5(4)(a) of the Act have failed against both of the contested marks.

COSTS

126. Both parties have achieved a relatively equal measure of success in these proceedings. In the circumstances, I direct that each party bear its own costs.

Dated this 28th day of November 2024

R. Le Breton

For the Registrar