

O-396-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3031485 BY
RICHARD LOWTHER**

TO REGISTER THE TRADE MARK:

TEAM F1

IN CLASS 9

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 60000069 BY
FORMULA ONE LICENSING B.V.**

BACKGROUND

1. On 20 November 2013, Richard Lowther applied to register the trade mark shown on the cover page of this decision. The application was published for opposition purposes on 13 December 2013, for the following goods in class 9:

Application software; Computer game software; Games software; Software; Computer software programs.

2. The application is opposed by Formula One Licensing B.V. (“the opponent”) under the fast track opposition procedure. The opposition, which is directed against all of the goods in the application, is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), for which the opponent relies upon some of the goods (shown below) in class 9 of the following Community Trade Mark (“CTM”) registration:

CTM no. 9250721 for the mark: **F1** which was applied for on 30 June 2010 and for which the registration process was completed on 28 October 2012:

Computer game programs; computer programs downloadable software; computer programs, recorded; computer programs for playing games; computer software [recorded]; computer software designed to enable smart cards to interact with terminals and readers; computer software for betting, gaming and gambling and for gaming machines; computer software for implementing security methodology involving encryption of payment card numbers and related data and transmission over computer networks; computer software for interactive reel and slot games; computer software for mobile phones; computer software for television; computers.

The opponent states:

“3...The distinctive element of the mark applied for, F1, is identical to the opponent’s [CTM]. The similarity is increased by the enhanced distinctiveness that the opponent enjoys in the F1 mark, through its substantial and longstanding use. Overall therefore, the impression created by the mark applied for is visually, aurally and conceptually highly similar to the opponent’s [CTM].

4...The goods covered by [the CTM] are identical and/or similar to the goods covered by the mark applied for.”

3. Mr Lowther filed a counterstatement (subsequently amended) in which he admits that the competing goods are identical or similar, but denies the basis of the opposition. He states:

“3...The only similarity is that both contain the conjunction of the sixth letter of the alphabet and the first number in the sequence of numbers.

“4. The applicant denies that F1 is the distinctive element of the mark applied...The mark applied for consists of two elements TEAM and F1. It is

the conjunction of two equally important elements which renders the mark applied for distinctive.

5...The applicant denies in any event that the opponent enjoys any enhanced distinctiveness through its substantial and longstanding use. F1 is no more than an abbreviation of Formula One itself a term which is merely generic and/or descriptive of a particular form of sport, namely, the highest class of single-seater auto racing sanctioned by the Fédération Internationale de l'Automobile which has existed since the early 1950s. The term is used in everyday parlance to denote that type of racing and predates the establishment of the FIA Formula One World Championship and the opponent's use of the term. The opponents as (or as associates of) organisers of auto racing events seek to acquire ownership of a term the public use and have used to describe the sport in general.

8. The applicant denies that the mark applied for is highly similar to the CTM: the two marks share two digits which lack distinctiveness whether when used in conjunction or separately..."

4. 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."

5. The net effect of these changes is to require parties to seek leave in order to file evidence in fast track oppositions. No leave was sought in respect of these proceedings.

6. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (1) the Office requests it or (2) 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. Both parties filed written submissions, which I will refer to as necessary, below.

DECISION

7. 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."

8. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

9. In these proceedings, the opponent is relying upon the trade mark shown in paragraph 2 above, which qualifies as an earlier trade mark under the above provisions. Given the interplay between the date on which the application was published and the date on which the opponent’s earlier trade mark completed its registration process, the earlier trade mark is not subject to proof of use, as per section 6A of the Act.

Section 5(2)(b) – case law

10. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-6/01; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P.

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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 greater 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

Comparison of goods

11. The competing goods are as follows:

Opponent's goods	Mr Lowther's goods
Class 9 - Computer game programs; computer programs downloadable software; computer programs, recorded; computer programs for playing games; computer software [recorded]; computer software designed to enable smart cards	Class 9 - Application software; Computer game software; Games software; Software; Computer software programs.

<p>to interact with terminals and readers; computer software for betting, gaming and gambling and for gaming machines; computer software for implementing security methodology involving encryption of payment card numbers and related data and transmission over computer networks; computer software for interactive reel and slot games; computer software for mobile phones; computer software for television; computers.</p>	
---	--

12. As I mentioned earlier, in his counterstatement, Mr Lowther admitted that the competing goods were identical or similar. Although in its submissions the opponent slightly modified the goods upon which it wished to rely i.e. by deleting the reference to “computers” and adding a reference to “encryption software” (which is not permissible as it did not seek leave to amend its claim), for reasons which will become obvious, it matters not. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05 the General Court stated:

“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 the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedral v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

13. As the opponent’s specification in class 9 includes, inter alia, “computer software [recorded]”, this would, on the principles outlined in *Merica*, encompass all of Mr Lowther’s goods. As a consequence, the competing goods are identical. For the sake of completeness, I should perhaps add that insofar as the purpose of Mr Lowther’s software is specifically identified i.e. for games, his games software is identical to (at least) the opponent’s “Computer game programs” and “computer programs for playing games”.

The average consumer and the nature of the purchasing process

14. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. The goods at issue in these proceedings are computer software, the average consumer for which is both members of the general public and business users selecting on behalf of a commercial undertaking.

15. As to how such goods are selected, I have no submissions to assist me; I must, in those circumstances, draw on my own limited experience as a member of the general public. This tells me that such an average consumer is most likely to select the goods at issue from a range of retail outlets on the high street, from catalogues and on-line. Thus it appears to me that visual considerations will play an important part in the selection process. However, as the selection of such goods may also, in my limited experience, raise technical considerations such as compatibility with existing hardware/software, aural considerations (where a member of the public seeks guidance prior to purchase) are also likely to be a feature of the selection process, although, in my experience, to a somewhat lesser extent than visual considerations. Given the obvious importance of selecting the correct software for the purpose required and as the purchase of software is likely to be sporadic, a member of the general public is, in my limited experience, likely (having considered, for example, reviews etc. prior to making a selection), to pay a relatively high degree of attention to the selection of software.

16. As to how a business user may select software, it is possible that it will be from the same trade channels as the general public (once again indicating that visual considerations will play an important role in the selection process), However, as it is equally likely that bespoke software for specific business uses will be the subject of discussions, demonstrations etc. with a range of software providers before a capital outlay is authorised, aural considerations are also likely to come into play. Whilst a business user may have a better understanding of the software they require, the likely importance of the selection in a business context combined with what may be the not insignificant sums in play, suggests that a business user is likely to pay at least an equivalent level of attention to that of a member of the general public and, in many cases, probably considerably higher.

Comparison of marks/assessment of distinctive character

17. The competing marks are as follows:

Opponent's mark	Mr Lowther's mark
F1	TEAM F1

18. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has kept in his mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

19. The opponent's mark consists exclusively of the letter "F" presented in upper case and the numeral "1"; it has no dominant elements. As to Mr Lowther's mark, this contains two elements, the first of which is the word TEAM presented in upper case. The second element consists of the letter and numeral F1 presented as it is in

the opponent's mark. Given its positioning, the word TEAM in Mr Lowther's mark has a degree of dominance over the F1 element which follows it. In its submissions, the opponent argues that as the word TEAM is descriptive of software "which could relate to team sports or activities", the "distinctive element of the later mark is F1". In his counterstatement and submissions, Mr Lowther argues that his mark "must be looked at as a whole" and that "the conjunction of two equally important elements renders the mark applied for distinctive."

20. As the word TEAM is a well known English language word with which the average consumer will be very familiar, I agree the word alone is apt to describe, inter alia, the type of goods the opponent has identified. Mr Lowther appears to accept that is the case, when he argues that his mark should be viewed as a whole and that its distinctiveness stems from two important elements. Considered in that context, it is unlikely that the word TEAM is a distinctive element of Mr Lowther's mark, the distinctiveness of which is more likely, as Mr Lowther argues, to lie in the combination it creates rather than the individual elements of which it is made up.

21. As to the F1 element, in his counterstatement, Mr Lowther argues that:

"F1 is no more than an abbreviation of Formula One itself a term which is merely generic and/or descriptive of a particular form of sport, namely, the highest class of single-seater auto racing."

22. In its submissions, the opponent states that its registration:

"1...is inherently valid because it is registered, so the registrar should disregard the applicant's refusal to admit the validity of the registration."

It further states:

"4. [Mr Lowther's] assertion that F1 is "generic and/or descriptive" is both incorrect and irrelevant. It is incorrect because the trade mark F1 is inherently distinctive and acts as a trade mark identifying goods/services originating from the group of companies of which the opponent is part. Furthermore, the trade mark is used extensively by the group of companies of which the opponent is part in relation to the commercial organization of a global series of motor races. [Mr Lowther's] assertion that F1 is "generic and/or descriptive" is irrelevant because the test that needs to be applied is whether F1 and TEAM F1 are similar trade marks, and the presence of the word TEAM is wholly insufficient to distinguish the marks, meaning they are similar.

8. The opponent is not, as alleged, seeking "...to acquire ownership of a term the public use and have used to describe the sport in general." Instead, the opponent is protecting and enforcing its rights in a prestigious and particular brand of racing with the generic term for the sport in question being motor racing...The fact that the trade mark F1 is so well known by the public does not diminish its value as a trade mark or its ability to fulfill the functions of a trade mark. Furthermore, popularity and a high degree of recognition amongst consumers does not, and should not, detract from the distinctiveness of the mark F1 but could be said to enhance the values associated with this trade

mark, making it more important to protect consumers who associate the mark F1 with the opponent...”

23. In his submissions, Mr Lowther states that he:

“will readily concede that substantial and longstanding use may have increased the recognition of the CTM but that assists him rather than the opponent. Any increased recognition will be of F1 in relation to Formula One...and will ensure that anyone encountering his products will recognize at once that they have nothing to do with the opponent.”

24. In both their pleadings and written submissions, the parties refer to the use that has been made of the letter and numeral F1 and the impact this use has had on the distinctive character of this combination. However, as these are fast track proceedings in which neither party has sought leave to file evidence, there is no evidence to assist me one way or the other.

25. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. As I mentioned above, I have only the inherent characteristics of the opponent’s mark to consider.

26. Irrespective of the submissions of the parties as to the effects that use may have had on the combination F1, given the comments of the CJEU in Case C-196/11 P, *Formula One Licensing BV v OHIM, Global Sports Media Ltd*, it is clear that it is not permissible for me to regard the opponent’s earlier mark as having no distinctive character; I will return to this point when I consider the likelihood of confusion.

27. The fact that the opponent’s mark consists exclusively of, and Mr Lowther’s mark contains the letter and numeral F1 as a separate and identifiable element, inevitably leads to a degree of visual and aural similarity between them. Given the presence of the word TEAM as the first element of Mr Lowther’s mark, I would characterise the degree of visual and aural similarity between the competing marks as reasonable. Whilst I am familiar with the word TEAM and its meaning, absent evidence, I am unable to come to any conclusion on what, if any, conceptual message the competing marks as a whole may convey to the average consumer.

Likelihood of confusion

28. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. 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 goods and vice versa. As I mentioned

above, it is also necessary for me to keep in mind the distinctive character of the opponent's mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and 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 he has retained in his mind.

29. Earlier in this decision, I concluded that: (i) the goods at issue are identical, (ii) the average consumer is a member of the general public or a business user, (iii) while visual considerations are an important part of the selection process, aural considerations must not be overlooked, (iv) the average consumer will pay (at least) a relatively high degree of attention to the selection of the goods at issue, (v) the competing marks are visually and aurally similar to a reasonable degree and the conceptual position is uncertain and (vi), I must assume that the opponent's earlier mark has the minimum degree of distinctive character to justify registration. In reaching a conclusion on the likelihood of confusion, I note the following comments of the CJEU in *L'Oréal SA v OHIM – Case - C-235/05 P*:

“42. It follows that the distinctive character of the earlier mark cannot have the significance which the applicant argues it should be given in the comparison of the signs in question, as it is not a factor which influences the perception which the consumer has of the similarity of the signs.

43. It must therefore be held that the applicant has misconstrued the concepts which govern the determination of whether a likelihood of confusion between two marks exists, by failing to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a complex mark possesses, which is concerned with its ability to dominate the overall impression created by the mark.

44. In the second place, as was pointed out at paragraphs 35 and 36 of this judgment, the existence of a likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case.

45. The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

30. The inclusion of the word TEAM as the first element in Mr Lowther's mark is, in my view, sufficient to avoid the likelihood of direct confusion i.e. where one trade mark is mistaken for the other. Having reached that conclusion, is there then a likelihood of indirect confusion given what may be the weak distinctive character of the earlier mark and the, at least, relatively high degree of attention that will be paid to the selection of the goods at issue? Notwithstanding that Mr Lowther's mark consists of two elements which contribute to its overall distinctive character, bearing in mind that identical goods are in play, the presence of the word TEAM in his mark, is insufficient to satisfy me that the average consumer will not assume that his goods are those of the opponent or of a commercially related economic undertaking.

Conclusion

31. As a consequence of the conclusions reached above, the opposition based upon section 5(2)(b) of the Act to all of the goods in the application succeeds in full and, subject to any successful appeal, the application will be refused.

Costs

32. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, I award costs to the opponent on the following basis:

Preparing a statement and considering Mr Lowther's statement:	£200
Submissions:	£200
Opposition fee:	£100
Total:	£500

33. I order Richard Lowther to pay to Formula One Licensing B.V. the sum of **£500**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of September 2014

C J BOWEN
For the Registrar
The Comptroller-General