

O-326-13

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2483309
STANDING IN THE NAME OF
VLE SUPPORT LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.84299
BY ETRACKER GMBH**

BACKGROUND

1) The following trade mark is registered in the name of VLE Support Limited (hereinafter VLE):

Mark	Number	Date of application / registration	Class	Specification
eTracker	2483309	27 March 2008 26 September 2008	9	Education software for use as one or many individual learning plans, including education software for uploading, displaying and storing student assignments.

2) Originally the mark was also registered for services in Class 42, however these were surrendered and the class 9 specification amended to that shown above on 28 March 2012.

3) By an application dated 9 February 2012 etracker GmbH (hereinafter the applicant) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

- a) etracker GmbH is the registered proprietor of the following trade mark which is registered in a number of classes, but only the services relied upon in the opposition have been shown:

Mark	Number	Filing and registration dates	Class	Specification relied upon
etracker	CTM 4299905	17 March 2005 20 June 2007	42	Consultancy in the field of computers; all said services not in relation with financial services including those related to stock exchange trade.

- b) The applicant states that the marks of the two parties are virtually identical. Also the class 9 goods are similar to its class 42 services although no reasons are provided to back up this view. The applicant contends that the mark in suit offends against Sections 5(1), 5(2)(a) and 5(2)(b).

4) VLE provided a counterstatement, dated 2 April 2012, in which it denies the above grounds and claims. It is stated that the marks are different in that the mark in suit is in blue, although I note that no colour claim was made. The goods and services for which the mark was registered were limited to the class 9 goods now shown at paragraph 1 above and VLE contend that its goods in class 9 are sold to consumers in an extremely discerning market place who are well placed to distinguish between a specialised software package and computer consultancy.

5) Only VLE filed evidence. Both ask for an award of costs. The matter came to be heard on 24 July 2013 when VLE was represented by Mr Trinnick of VLE. The applicant was represented by Mr Coles of Messrs Graham Coles & Co.

EVIDENCE OF VLE

6) VLE filed a witness statement, dated 23 January 2013, by Mark Trinnick the Managing Director of the company, a position he has held since 2006. He states:

“2. VLE helps educational establishments to harness and use technology within learning environments. We specialise in the development of web based applications and eTracker is our leading product. The trade mark eTracker was first used in the UK in 2006 in relation to computer software in the form of a web based individual learning plan designed to provide a one stop shop for tracking, monitoring and measuring the performance of students. The programme allows the user to assimilate data covering a range of matters including student grades, attendance records, and disciplinary issues, as well as logging information concerning pastoral targets and personal goals.”

And:

“Teachers are able to monitor and assess their students’ performance, helping them to identify issues and intervene fast, and enabling a much higher level of attention to be given to students where needed. Students are motivated by the ability for them to easily assess their individual progress against personalised goals, allowing them greater ownership of the learning process and encouraging them to perform to a higher standard.”

7) Mr Trinnick states that the use of the mark in suit in the UK has been continuous since 2006 and he provides a list of educational establishments which have used the programme which covers the majority of the UK. He states that usually his company meets with senior managers in educational facilities, often as a result of word of mouth recommendation. The software is delivered electronically. Any after sales support or training is provided under the VLE brand as the mark in suit is used only on the computer software.

8) That concludes my review of the evidence. I now turn to the decision.

DECISION

9) At the hearing the ground of invalidity under Section 5(1) was withdrawn, and it was accepted that if I were to accept that the marks were identical then the finding under 5(2)(a) would determine the issue under 5(2)(b). Section 47 of the Trade Marks Act 1994 reads:

“47.-(2) The registration of a trade mark may be declared invalid on the ground -

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

- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

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

10) The grounds of invalidity are under Sections 5(2)(a) and 5(2)(b) which read:

“5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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.”

11) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

12) The applicant is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. Given the interplay of dates between the marks of the two parties, proof of use does not come into play.

13) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU in *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 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

- (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/ 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; 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;

(e) 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 in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) 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;

(j) 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.

14) 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 go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive character of the applicant's earlier trade mark

15) The applicant has not provided any evidence. It cannot claim any enhanced reputation. To my mind the applicant's mark has a reasonable degree of inherent distinctiveness for the services for which it is registered.

The average consumer and the nature of the purchasing process

16) I must now determine the average consumer for the goods and services of the parties. Both parties appear to be offering specialised goods or services. In the applicant's case it offers computer consultancy services which I would assume would normally involve face to face discussions with the potential client to discuss their requirements and to convince the client that the applicant can indeed provide the advice that it is seeking. VLE currently offers educational software which is approved by the Office of Qualifications and Examination Regulation (Ofqual). In both cases the purchasing process will be very considered. However, VLE's specification could allow for less sophisticated software which potentially could be purchased off the shelf. Even allowing for this the purchase would be a considered one. Educational issues are treated seriously by all concerned and the purchase would only be after research was done regarding other types of software. To my mind, the purchaser will look on line or in a directory to find either company, although they may also be recommended by word of mouth. The visual aspects will assume greater significance but I cannot overlook aural considerations.

Comparison of trade marks

17) The trade marks to be compared are as follows:

Applicant's mark	VLE's mark
etracker	eTracker

18) When considering the invalidity under sections and 5(2)(a) I have to consider whether the marks are identical. In determining this issue I turn to the decision of the European Court of Justice (ECJ as it was) in the *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34 where at paragraphs 49-54 they stated:

“49. On the other hand, Article 5(1)(a) of the directive does not require evidence of such a likelihood in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services.

50. The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition implies that the two elements compared should be the same in all respects. Indeed, the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the directive, cannot be extended beyond the situations for which it was envisaged, in particular, to those situations which are more specifically protected by Article 5(1)(b) of the directive.

51. There is therefore identity between the sign and the trade mark where the former reproduces, without any modification or addition, all the elements constituting the latter.

52. However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see, to that effect, Case C-342/97 Lloyd Schuhfabrik Meyer [1999] ECR I-3819, paragraph 26).

53. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by the average consumer.

54. In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

19) Regarding the issue of colour I note the comments in SPECSAVERS [2011 FSR1]:

“119. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.

120 That exercise involves (if one likes) imagining the sign in the colours of the offending sign in order to produce a workable field of comparison. One does it for that reason. What one does not do is to take the registered mark in a given colour because that is the colour used by the proprietor.”

20) The only other difference is that the mark in suit has the letter “T” in upper case whereas it is in lower case in the applicant’s mark. It was contended at the hearing that in the online world a capital letter is highly significant. Even if I were to accept that

contention, and I do not, the goods of VLE are not confined to being advertised via the internet. The question I must consider is whether this difference is so insignificant that it would go unnoticed by an average consumer. To my mind it is, and so I find that the marks are identical. If I am wrong in this finding then the marks must at the very least be considered to be highly similar.

Comparison of goods and services

21) For ease of reference the specifications of both parties are reproduced below:

Applicant's services	VLE's goods
Class 42: Consultancy in the field of computers; all said services not in relation with financial services including those related to stock exchange trade.	Class 9: Education software for use as one or many individual learning plans, including education software for uploading, displaying and storing student assignments.

22) The accepted test for comparing goods is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed by the Advocate General in *Canon*; ETMR 1. The factors to be taken into account are:

- a) The respective uses of the respective goods;
- b) The respective users of the respective goods;
- c) The physical nature of the goods;
- d) The respective trade channels through which the goods 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 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 in the same or different sectors.

23) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

24) The question of complementary goods/services has been considered by the CFI in *Boston Scientific Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Case T- 325/06 the CFI stated:

“It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685 , paragraph 60, upheld on appeal in

Case C-214/05 P Rossi v OHIM [2006] ECR I-7057 ; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757 , paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000 , paragraph 48).”

25) It was contended that the comparison is between an item of software and advice on computers. However, computer consultancy would also normally include advising on software. It is clear that the users could be the same as the consultancy service offered by the applicant could include the same educational establishments that purchase VLE’s software. The physical nature is obviously different. No evidence has been provided on the trade channels, however, given that computer consultancy would include advice on software it is entirely possible that the advice would extend to provision of goods in a turnkey situation. Whilst not in competition it is clear that the average consumer will take the view that computer consultancy will include advice on software, and therefore the customer may think that the responsibility for those goods lies with the same undertaking. Considering the matter in the round I do accept that there is a reasonable degree of similarity between VLE’s goods in class 9 and the Class 42 services of the applicant.

Likelihood of confusion

26) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and services and vice versa. Clearly, to my mind, the marks are identical and there is a reasonable degree of similarity in the goods of VLE and the services of the applicant. However, even if I were wrong regarding the identity of the marks they would still be regarded as highly similar and used on goods and services which have a degree of similarity. Even accepting that both parties goods and services will be purchased with a reasonable amount of consideration, there there is a likelihood of consumers being confused into believing that the goods provided by VLE are those of the applicant or provided by some undertaking linked to them. **The opposition under Section 5(2)(a) and / or 5(2)(b) succeeds.**

CONCLUSION

27) The invalidity action under Sections 5(2)(a) and 5(2)(b) have succeeded. The mark of VLE therefore is deemed never to have been registered.

COSTS

28) The applicant has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side’s statement	£300
Considering the other sides evidence	£400
Expenses	£200
Preparing for and attending a hearing	£500
TOTAL	£1400

29) I order VLE Support Limited to pay etracker GmbH the sum of £1,400. This sum 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 12th day of August 2013

**G W Salthouse
For the Registrar
the Comptroller-General**