

**O/070/21**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF  
TRADE MARK APPLICATION NO. 3402056  
BY GUANGZHOU TARGETUNI DIGITAL MARKETING COMPANY LIMITED  
TO REGISTER:**

**targetuni**

**AS A TRADE MARK IN CLASSES 9, 35, 36, 38, 41 AND 42**

**AND**

**OPPOSITION THERETO UNDER NO. 418364  
BY EUROPEAN CENTRAL BANK**

## Background and Pleadings

1. On 24 May 2019, Guangzhou TargetUni Digital Marketing Company Limited (“the applicant”) applied to register the word mark “targetuni” as a trade mark for the following goods and services:

**Class 9:** *Computers for use in data management; Computer display monitors; Indicators (Quantity -); Plotters; Mobile phones; Portable multimedia players; Cameras; Alarms; Glasses; Batteries; Animated cartoons; USB flash drives; Pedometers; Electricity mains (Materials for -) [wires, cables]; 3D glasses; Global positioning system (GPS) devices; Electronic burglar alarms; Wearable activity trackers; Cases for smartphones; Computer mouse; Battery chargers.*

**Class 35:** *Advertising; Publicity; Organization of exhibitions for commercial or advertising purposes; Sales promotion for others; Procurement services for others [purchasing goods and services for other businesses]; Personnel management consultancy; Provision of an online marketplace for buyers and sellers of goods and services; Business management consultancy; Business management and consultancy; Bill sticking; Bill-posting; Radio advertising; Television advertising; Advertising by mail order; On-line advertising on a computer network; Design of advertising materials; Business management and organization consultancy; Negotiation and conclusion of commercial transactions for third parties; Providing and rental of advertising space on the internet; Organization of trade fairs for commercial or advertising purposes; Import-export agencies.*

**Class 36:** *Financial management and planning; Financial planning for retirement; Financial investment analysis and stock research; Insurance information and consultancy; Financial credit scoring services; Financial information and evaluations; Valuations [appraisals] of artworks; Assessment and management of real estate; Financial customs brokerage services; Guarantees; Investment of funds for charitable purposes; Trust services; Pawnbroking; Trading in futures; Money transfer; Currency trading; Processing electronic payments made through prepaid cards; Tax services [not*

*accounting]; Taxation consultancy services [not accounting]; Jewelry appraisal; Brokerage; Financial management of funds.*

**Class 38:** *Broadcasting programs via a global computer network; Television broadcasting; News agency services; Wireless broadcasting; Broadcasting of teleshopping programmes; Computer-aided transmission of information; Electronic bulletin board services [telecommunications services]; Information transmission services via digital networks; Network transmission of sounds, images, signals and data; Providing multiple use access to global computer information networks for the transfer and dissemination of a wide range of information; Communications by computer terminals; Computer aided transmission of messages and images; Providing telecommunications connections to a global computer network; Providing user access to global computer networks; Providing internet chatrooms; Providing online forums; Data transmission; Broadcasting of television programs using video-on-demand and pay-per-view television services; Broadcasting services relating to Internet protocol TV; Internet broadcasting services.*

**Class 41:** *Training courses in strategic planning relating to advertising, promotion, marketing and business; Commercial training services; Education; Arranging and conducting of meetings in the field of education; Arranging and conducting of meetings in the field of entertainment; Lending of books and other publications; Entertainment services; Photography; Audio and video editing services; Animal training; Modeling for artists; Arranging of competitions for educational purposes; Organisation of exhibitions for cultural or educational purposes; Organisation of live performances; Organisation, production and presentation of theatrical performances; Television entertainment; Rental of stadium facilities; Instruction courses relating to physical fitness; Music production; Rental of artwork; News reporters services; Providing television programmes, not downloadable, via video-on-demand services.*

**Class 42:** *Technical research; Cosmetic research; Biotechnology research; Product testing; Styling [industrial design]; Interior design; Fashion design; Reconstitution of databases; Designing websites for advertising purposes;*

*Graphic design; Material testing; Textile testing; Packaging design; Information technology [IT] consultancy; Creating and designing website-based indexes of information for others [information technology services]; Graphic art design; Computer software design; Cloud computing; Research in the field of environmental protection; Advisory services relating to design engineering; Animation and special-effects design for others.*

2. The application was published for opposition purposes in the *Trade Marks Journal* on 09 August 2019. On 12 November 2019, European Central Bank (“the opponent”) opposed the application under Sections 5(2)(b) and 3(6) of the Trade Marks Act 1994 (“the Act”). The Section 5(2)(b) ground is founded upon the following five earlier marks:

**EUTM 438648 (“the First Earlier Mark”)**

**Mark:** TARGET

**Filing date:** 4 December 1996

**Date of entry in register:** 13 October 1998

**Services relied upon:**

**Class 36:** *Financial services and monetary affairs.*

**EUTM 15580855 (“the Second Earlier Mark”)**

**Mark:** Target2-Securities

**Filing date:** 24 June 2016

**Date of entry in register:** 13 January 2017

**Goods and Services relied upon:**

**Class 9:** *Software (recorded or downloadable) not including software related to human resource management, employee suggestion systems or ideas and/or*

*innovations management; recorded data files; electronic publications (recorded or downloadable), including multimedia publications.*

**Class 36:** *Financial services and monetary affairs.*

**Class 38:** *Telecommunications; providing (user) access to content, platforms and portals on the Internet and other media; providing access to and leasing access to computer databases not being related to human resource management, employee suggestion systems or ideas and/or innovations management.*

**Class 42:** *Design and development of computer software, including design and development of databases, multimedia products; providing temporary use of non-downloadable software and non-downloadable databases; software as a service (SaaS); maintenance of database software, the aforementioned not including software related to human resource management, employee suggestion systems or ideas and/or innovations management.*

**Class 45:** *licensing of computer software [legal services]; legal administration of licenses.*

**EUTM 17930752 (“the Third Earlier Mark”)**

**Mark:** target services

**Filing date:** 13 July 2018

**Goods and Services relied upon:**

**Class 9:** *Software (recorded or downloadable) related to financial services and monetary affairs not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; recorded data files; electronic publications (recorded or downloadable), including multimedia publications; none of the aforementioned goods in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 36:** *Financial services and monetary affairs; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 38:** *Telecommunications; providing (user) access to content, platforms and portals on the Internet and other media; providing access to and leasing access to computer databases related to financial services and monetary affairs and not being related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 42:** *Design and development of computer software, including design and development of databases, multimedia products; providing temporary use of non-downloadable software and non-downloadable databases; software as a service (SaaS); maintenance of database software, the aforementioned related to financial services and monetary affairs and not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 45:** *Licensing of computer software [legal services]; legal administration of licenses; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**EUTM 17930755 (“the Fourth Earlier Mark”)**

**Mark:** TARGET2

**Filing date:** 13 July 2018

**Goods and Services relied upon:**

**Class 9:** *Software (recorded or downloadable) related to financial services and monetary affairs not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; recorded data files; electronic publications (recorded or downloadable), including multimedia publications; none of the aforementioned goods in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 36:** *Financial services and monetary affairs; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 38:** *Telecommunications; providing (user) access to content, platforms and portals on the Internet and other media; providing access to and leasing access to computer databases related to financial services and monetary affairs and not being related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 42:** *Design and development of computer software, including design and development of databases, multimedia products; providing temporary use of non-downloadable software and non-downloadable databases; software as a service (SaaS); maintenance of database software, the aforementioned related to financial services and monetary affairs and not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 45:** *Licensing of computer software [legal services]; legal administration of licenses; none of the aforementioned services in the field of or in association with,*

*operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**EUTM 17930756 (“the Fifth Earlier Mark”)**

**Mark:** TARGET

**Filing date:** 13 July 2018

**Goods and Services relied upon:**

**Class 9:** *Software (recorded or downloadable) related to financial services and monetary affairs not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; recorded data files; electronic publications (recorded or downloadable), including multimedia publications; none of the aforementioned goods in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 36:** *Financial services and monetary affairs; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 38:** *Telecommunications; providing (user) access to content, platforms and portals on the Internet and other media; providing access to and leasing access to computer databases related to financial services and monetary affairs and not being related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 42:** *Design and development of computer software, including design and development of databases, multimedia products; providing temporary use of non-downloadable software and non-downloadable databases; software as a service (SaaS); maintenance of database software, the aforementioned related to financial*

*services and monetary affairs and not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

**Class 45:** *Licensing of computer software [legal services]; legal administration of licenses; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.*

3. The first point to note is that the opposition is based solely on EUTMs. Although the UK has left the EU and the transition period has now expired, EUTMs are still relevant in these proceedings given the impact of the transitional provisions of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Tribunal Practice Notice (2/2020) on “*End of Transition Period - impact on tribunal proceedings*” comments on the Tribunal’s Practice for all tribunal proceedings that, like the present case, were launched before the end of the transition period on 31 December 2020 (referred to as “IP Completion Day”):

“Practice for:

All tribunal proceedings launched before IP Completion Day (i.e. before 11pm on 31 December 2020) and,

Oppositions filed on, or after, IP Completion Day against trade mark applications filed before IP Completion Day

3) The transitional provisions provide that these proceedings should continue to be dealt with under the Act as it existed before IP Completion Day (i.e. the old law continues to apply). Users should note the following:

- EUTMs and IR(EU)s will continue to constitute earlier trade marks for the purpose of these proceedings. This applies to both registered and pending marks, although, in the case of the latter, this is subject to the earlier mark subsequently being registered or protected.”

4. The opponent can therefore continue to rely on both the EUTM registrations and the pending EUTM applications.

5. The opponent submits that there is a likelihood of confusion between the respective marks due to the close similarity between them and the identity and/or similarity of the respective goods and services. It also claims that the earlier marks have a high degree of distinctive character or, alternatively, that their distinctiveness has been enhanced in respect of *financial services and monetary affairs* as a result of the use made of the earlier marks as a family of marks.

6. Under Section 3(6) the opponent claims that the application was made in bad faith because the applicant had no *bona fide* intention that it would use the applied for mark in relation to all of the goods and services covered by the application. In this connection, the opponent claims that *“it is highly unlikely that any business’ use of a mark would ever extend to goods and services so diverse and unrelated as those covered by the application”* and that *“the scope of the goods and services covered by the application is in itself prima facie evidence that the applicant did not have the requisite intention”*. Further and alternatively, the opponent claims that the applicant *“sells and has, for a reasonable period of time, only ever sold, marketing services and related services in China”* and that *“a marketing business is unlikely to expand its offering of goods and services to include, for example, “pedometers and jewellery appraisal”*. According to the opponent *“the applicant’s current and historic activities are, in themselves, prima facie evidence that the applicant did not have the requisite intention”*.

7. The applicant filed a counterstatement denying the claims made and requested that the opponent provide proof of use of the First Earlier Mark.

8. The opponent is represented by Artington Services Limited and the applicant by Rachel Feng. Only the opponent filed evidence in these proceedings. No hearing was requested and only the opponent has filed written submissions in lieu of a hearing. I have taken these into consideration and will refer to them below where necessary. This decision is taken following a careful perusal of the papers.

## **DECISION**

### **Section 5(2)(b)**

9. Section 5(2)(b) of the Act is as follows:<sup>1</sup>

“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”.

10. Section 5A of the Act is as follows:

“5A 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.”

11. By virtue of their earlier filing dates, the marks upon which the opponent relies qualify as earlier marks pursuant to Section 6 of the Act. This includes the Third, the Fourth and the Fifth Earlier Mark, which are, to date, still pending at the EUIPO. The First Earlier Mark is the only mark that had completed its registration process more than 5 years before the application date of the mark in issue, and therefore it is the

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<sup>1</sup> Although the UK has left the EU, Section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

only mark that is subject to the proof of use provisions pursuant to Section 6A of the Act.

### **My approach**

12. There are five earlier marks pleaded under this ground. Without pre-judging the issue, it is clear that some are more similar to the applicant's mark than others. Considered individually, the opponent's best prospect of success lays with the Fifth Earlier Mark: TARGET. The other earlier marks, namely another TARGET mark, Target2-Securities, target services and TARGET2, either cover a more limited specification or contain additional elements, which means that if the opponent cannot succeed in respect of the Fifth Earlier Mark, it will be in no better position as regards its other marks. I say "considered individually" because there is also a claim to confusion being more likely on account of a family of marks.

13. My approach is therefore to examine first the likelihood of confusion with respect to the Fifth Earlier mark and to leave the matter of proof of use of the First Earlier Mark until last. I will return to the opponent's evidence when assessing whether the earlier mark has an enhanced distinctive character. I will also consider the same evidence in the context of the opponent's argument invoking the existence of a family of marks.

14. There is one final point I should make at this stage. Three of the earlier EUTMs relied upon by the opponent (including the Fifth Earlier Mark) are still pending. I have considered whether the proceedings should be suspended to await the outcome of these marks, however, for reasons which I will explain below, it is unnecessary for me to do so.

### **Section 5(2) – case law**

15. 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**

16. 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”.

17. 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.

18. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

19. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term 'computer software'. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

*"...the applicable principles of interpretation are as follows:*

*(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.*

*(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.*

*(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.*

*(4) A term which cannot be interpreted is to be disregarded.”*

20. 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 OHIM*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“...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”.

21. In *Gérard Meric v OHIM*, 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 für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

22. The opponent initially opposed all of the goods and services in the application under both grounds of opposition. However, in its submissions in lieu dated 9 December 2020 the opponent restricted the opposition under Section 5(2)(b) to the goods and services shown below in bold and highlighted in grey:

The applicant's goods and services	The opponent's goods and services
<p><b>Class 9: Computers for use in data management;</b> Computer display monitors; Indicators (Quantity -); Plotters; Mobile phones; Portable multimedia players; Cameras; Alarms; Glasses; Batteries; Animated cartoons; USB flash drives; Pedometers; Electricity mains (Materials for -) [wires, cables]; 3D glasses; Global positioning system (GPS) devices; Electronic burglar alarms; Wearable activity trackers; Cases for smartphones; Computer mouse; Battery chargers.</p>	<p><b>Class 9:</b> Software (recorded or downloadable) related to financial services and monetary affairs not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; recorded data files; electronic publications (recorded or downloadable), including multimedia publications; none of the aforementioned goods in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.</p>
<p><b>Class 35:</b> Advertising; Publicity; Organization of exhibitions for commercial or advertising purposes; Sales promotion for others; Procurement services for others [purchasing goods and services for other businesses]; Personnel management consultancy; Provision of an online marketplace for buyers and sellers of goods and services; Business management consultancy; Business management and consultancy; Bill sticking; Bill-posting; Radio advertising; Television advertising; Advertising by mail order; On-line advertising on a computer network; Design of advertising materials; Business management and organization</p>	

<p>consultancy; Negotiation and conclusion of commercial transactions for third parties; Providing and rental of advertising space on the internet; Organization of trade fairs for commercial or advertising purposes; Import-export agencies.</p>	
<p><b>Class 36: Financial management and planning; Financial planning for retirement; Financial investment analysis and stock research; Insurance information and consultancy; Financial credit scoring services; Financial information and evaluations; Valuations [appraisals] of artworks; Assessment and management of real estate; Financial customs brokerage services; Guarantees; Investment of funds for charitable purposes; Trust services; Pawnbroking; Trading in futures; Money transfer; Currency trading; Processing electronic payments made through prepaid cards; Tax services [not accounting]; Taxation consultancy services [not accounting]; Jewelry appraisal; Brokerage; Financial management of funds.</b></p>	<p><b>Class 36:</b> Financial services and monetary affairs; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.</p>
<p><b>Class 38:</b> Broadcasting programs via a global computer network; Television broadcasting; News agency services; Wireless broadcasting; Broadcasting of</p>	<p><b>Class 38:</b> Telecommunications; providing (user) access to content, platforms and portals on the Internet and other media; providing access to</p>

<p>teleshopping programmes; Computer-aided transmission of information; Electronic bulletin board services [telecommunications services]; Information transmission services via digital networks; Network transmission of sounds, images, signals and data; Providing multiple use access to global computer information networks for the transfer and dissemination of a wide range of information; Communications by computer terminals; Computer aided transmission of messages and images; Providing telecommunications connections to a global computer network; Providing user access to global computer networks; Providing internet chatrooms; Providing online forums; Data transmission; Broadcasting of television programs using video-on-demand and pay-per-view television services; Broadcasting services relating to Internet protocol TV; Internet broadcasting services.</p>	<p>and leasing access to computer databases related to financial services and monetary affairs and not being related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.</p>
<p><b>Class 41:</b> Training courses in strategic planning relating to advertising, promotion, marketing and business; Commercial training services; Education; Arranging and conducting of meetings in the field of education; Arranging and conducting of meetings in the field of entertainment; Lending of books and other publications;</p>	

Entertainment services; Photography; Audio and video editing services; Animal training; Modeling for artists; Arranging of competitions for educational purposes; Organisation of exhibitions for cultural or educational purposes; Organisation of live performances; Organisation, production and presentation of theatrical performances; Television entertainment; Rental of stadium facilities; Instruction courses relating to physical fitness; Music production; Rental of artwork; News reporters services; Providing television programmes, not downloadable, via video-on-demand services.

**Class 42: Technical research;** Cosmetic research; Biotechnology research; **Product testing;** Styling [industrial design]; Interior design; Fashion design; **Reconstitution of databases;** Designing websites for advertising purposes; Graphic design; Material testing; Textile testing; Packaging design; **Information technology [IT] consultancy; Creating and designing website-based indexes of information for others [information technology services];** Graphic art design; **Computer software design; Cloud computing;** Research in the field of environmental protection; Advisory services relating to design engineering;

**Class 42: Design and development of computer software, including design and development of databases, multimedia products; providing temporary use of non-downloadable software and non-downloadable databases; software as a service (SaaS); maintenance of database software, the aforementioned related to financial services and monetary affairs and not including software related to human resource management, employee suggestion systems or ideas and/or innovations management; none of the aforementioned services in the field of or in association with, operating**

<i>Animation and special-effects design for others.</i>	<i>retail stores and/or online retail stores and/or online retail store marketplaces.</i>
	<b>Class 45:</b> <i>Licensing of computer software [legal services]; legal administration of licenses; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.</i>

23. Here I should say that although the opponent’s services include the limitation “*none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces*”, it does not impact on the comparison at issue because none of the contested services are in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.

**Class 9**

24. *Computers for use in data management.* The opponent states that the contested *Computers for use in data management* are highly similar to the opponent’s *Software (recorded or downloadable) related to financial services and monetary affairs not including software related to human resource management, employee suggestion systems or ideas and/or innovations management.* The applicant states that parties’ goods in class 9 are different because the earlier marks cover software-related products whereas the applicant’s mark covers mobile phone and other electronic products. I agree with the opponent. Whilst the opponent’s software relates to the field of financial services and monetary affairs, it does not exclude software products for use in data management. On that basis one can envisage the applicant’s mark being used in respect of *computers for use in data management* and the opponent’s mark being used in respect of *data management software (recorded or downloadable) related to financial services and monetary affairs.* While there is a difference in nature between hardware and software, the respective goods would overlap in purpose, would target the same public through the same channels and be complementary, 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. I consider the goods to be similar to at least a medium degree.

### **Class 36**

25. *Financial management and planning; Financial planning for retirement; Financial investment analysis and stock research; Insurance information and consultancy; Financial credit scoring services; Financial information and evaluations; Valuations [appraisals] of artworks; Assessment and management of real estate; Financial customs brokerage services; Guarantees; Investment of funds for charitable purposes; Trust services; Pawnbroking; Trading in futures; Money transfer; Currency trading; Processing electronic payments made through prepaid cards; Tax services [not accounting]; Taxation consultancy services [not accounting]; Jewelry appraisal; Brokerage; Financial management of funds.* The opponent states that all of the contested services in class 36 are identical to the opponent's services in the same class. The applicant argues that the parties' services are different because those provided by the applicant are aimed at providing financial consulting services whilst those provided by the opponent are aimed at maintaining price stability, however, the applicant seems to subject the parties' services to limitations that are not reflected in the actual specifications.

26. The earlier mark covers *Financial services and monetary affairs; none of the aforementioned services in the field of or in association with, operating retail stores and/or online retail stores and/or online retail store marketplaces.* In my opinion, the following services in the applicant's specification are, broadly speaking, financial services that encompass a range of activities that deal with the management, investment, trading, transfer and lending of money: *Financial management and planning; Financial planning for retirement; Financial investment analysis and stock research; Financial credit scoring services; Financial information and evaluations; Financial customs brokerage services; Investment of funds for charitable purposes; Money transfer; Currency trading; Processing electronic payments made through prepaid cards; Financial management of funds.* These services are identical to the opponent's services on the principle outlined in *Meric*.

27. This leaves *Brokerage; Guarantees; Trading in futures; Tax services [not accounting]; Taxation consultancy services [not accounting]; Insurance information and consultancy; Valuations [appraisals] of artworks; Assessment and management of real estate; Trust services; Pawnbroking; Jewelry appraisal.*

28. *Brokerage; Guarantees; Trading in futures.* The term *brokerage* in the application includes financial and investment brokerage which falls within the opponent's financial services. The term *guarantees* in the application includes guarantees provided by banks to demonstrate the financial credibility of their customers and would also fall within the opponent's services. *Trading in futures* is a type of financial investment and, again, falls within the opponent's class 36 services. These services are identical on the principle outlined in *Meric*.

29. *Tax services [not accounting]; Taxation consultancy services [not accounting].* Even if these services are not identical to the opponent's *Financial services and monetary affairs*, the latter would include closely related services, such as financial advisory services relating to tax, which would target the same users, be provided through the same trade channels and be complementary. If not identical, these services are similar to the opponent's services to, at least, a medium degree.

30. *Insurance information and consultancy.* Insurance services are of a financial nature, and insurance companies are subject to licensing, supervision and solvency rules similar to those governing institutions providing financial services. Many financial institutions also offer insurance services and in *Fil Investment Services Limited v Fidelis Underwriting Limited* - [2018] EWHC 1097 (Pat) (11 May 2018), paragraph 89, it was found that financial services cover insurance services (which would include *insurance information and consultancy*). Additionally, it is not unusual to see a financial institution and an insurance company in the same economic group. In this regard, the services are of a similar nature, may be provided by the same undertaking and have the same distribution channels. If not identical, these services are similar to the opponent's services to, at least, a medium degree.

31. *Pawnbroking.* A pawnbroker is a person who lends money in exchange for objects that he or she can sell if the person leaving the objects does not pay an agreed amount

of money in an agreed time. Although a pawnbroker is not a financial institution, the services offered by a pawnbroker are of financial and monetary nature, i.e. to provide loans that are secured by personal property. The services are similar in nature and target the same consumers; although they will be provided through different trade channels, they are in competition and I consider them to be similar, overall, to a low degree.

32. Valuations [appraisals] of artworks; Jewelry appraisal. These services are aimed at attributing a value to items of artwork and jewelry for insurance and auction purposes. Even if insurance services fall within the opponent's financial services, these services are one step removed from the opponent's services. The nature and purpose of the services is different, and the services are not complementary 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. These services are dissimilar. As some degree of similarity is required for there to be a likelihood of confusion, the opposition must fail in respect of these services.<sup>2</sup>

33. Assessment and management of real estate. These services are carried out by real estate companies which are instructed to manage a real estate on behalf of the owner of the real estate. They belong to completely different market fields and do not have an obvious connection with the opponent's *financial services and monetary affairs*. They do not serve the same purpose and are not normally provided by the same type of undertaking via the same distribution channels. These services cannot be said to be complementary or in competition with each other. These services are therefore dissimilar<sup>3</sup>. As some degree of similarity is required for there to be a likelihood of confusion, the opposition must fail in respect of these services.<sup>4</sup>

34. Trust services. A trust is an arrangement that allows a third party or trustee to hold assets or property for a beneficiary or beneficiaries. A trust company manages trusts,

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<sup>2</sup> *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

<sup>3</sup> See also in *Bankia SA v OHIM*, case T-323/14, the General Court held that financial and banking services are not similar to estate agency services.

<sup>4</sup> *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

trust funds, and estates for individuals, businesses, and other entities. Despite having in common with the opponent's services the trading of assets, these services have a different purpose. While it is possible that financial institutions such as banks may also offer trust services, I have no evidence on that point to assist me. In my view the services are dissimilar. As some degree of similarity is required for there to be a likelihood of confusion, the opposition must fail in respect of these services.<sup>5</sup>

## **Class 42**

35. Technical research; Product testing; Reconstitution of databases; Information technology [IT] consultancy; Creating and designing website-based indexes of information for others [information technology services]; Computer software design; Cloud computing.

36. Computer software design. These services are sufficiently broad to encompass the opponent's *Design and development of computer software, including design and development of databases, multimedia products.* These goods are identical on the principle outlined in *Meric*.

37. Reconstitution of databases. These services either encompass or are encompassed by opponent's *maintenance of database software, the aforementioned related to financial services and monetary affairs and not including software related to human resource management, employee suggestion systems or ideas and/or innovations management.* These services are identical on the principle outlined in *Meric*.

38. Creating and designing website-based indexes of information for others [information technology services]. These services either encompass or are encompassed by the opponent's *design and development of computer software, including design and development of databases, multimedia products.* These services are identical on the principle outlined in *Meric*.

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<sup>5</sup> *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA

39. Information technology [IT] consultancy. These services are sufficiently broad to include IT consultancy services related to the specific IT services covered by the opponent's specification. The services would target the same users, be provided through the same trade channels and be highly complementary. I consider these services to be similar, overall, to a medium degree.

40. Product testing. Likewise, the applicant's product testing could be provided in relation to of the opponent's *Design and development of computer software, including design and development of databases, multimedia products.* Again, the services would target the same users, be provided through the same trade channels and be highly complementary. I consider these services to be similar, overall, to a low to medium degree.

41. Cloud computing. The closest clash I can see is with the opponent's *software as a service (SaaS)* which is a term used to describe a software licensing and delivery model in which a software is licensed on a subscription basis and is centrally hosted. This, in my view, falls within the applicant's cloud computing which is defined as a model of computer use in which services stored on the internet are provided to users on a temporary basis. If not identical, these services are highly similar.

42. Technical research. The opponent states that the applicant's technical research is similar to its *Design and development of computer software, including design and development of databases, multimedia products* because the services are complementary in that computer software cannot be designed and developed without technical research. To the extent that the applicant's technical research can relate to the opponent's *Design and development of computer software*, the services would target the same users, be provided through the same trade channels and be highly complementary. I consider these services to be similar, overall, to a low to medium degree.

#### **Average consumer and the nature of the purchasing act**

43. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then

determine the manner in which the goods and services are likely to be selected by the average consumer. 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.”

44. The goods and services which I have found to be identical or similar are broad and wide ranging. The average consumer of the parties’ goods in class 9 and services in class 42 are most likely to be businesses. The remaining services in class 36 are likely to be sought by both members of the general public and businesses.

45. With regard to the purchasing process, the goods and services are likely to be selected predominantly by visual means, through self-selection, websites and brochures/catalogues. However, I do not discount the aural impact of the marks in the form of, for example, oral recommendations and advice sought from sales advisors. Given the technical and financial nature of the goods and services involved and/or their likely cost, I consider that an above medium degree of care will be taken by the average consumer when purchasing the goods and services.

### **Comparison of the marks**

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

CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

47. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the 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. The respective trade marks are shown below:

<b>The applicant's mark</b>	<b>The opponent's mark</b>
targetuni	TARGET

48. The applicant's mark consists of the word 'targetuni' presented in lower case letters, although notionally it can be presented in any case. The overall impression of the mark is based solely on the single word of which it consists.

49. The opponent's mark consists of the word 'TARGET' presented in upper case letters, although notionally it can be presented in any case. The overall impression of the mark derives solely from this word.

### **Visual and aural similarity**

50. Visually and aurally, the marks coincide in the sequences 'target/TARGET' which is the initial element of the applicant's mark and the only one of the opponent's mark.

On the other hand, they differ in the additional letters 'uni' of the applicant's mark which has no respective counterpart in the opponent's mark. While the two marks share the first five letters, the ending of the applicant's mark creates a fairly clear distinction between them. I consider the marks to be similar to a medium degree.

### **Conceptual similarity**

51. The opponent's mark 'TARGET' is a dictionary word which is fairly common in the English language and will be widely understood. The opponent made submissions in relation to the conceptual similarity between the marks. It states that the marks are conceptually similar to a high degree because they share the word 'TARGET' and the concept conveyed by that word. In this connection, the opponent claims that element 'uni' in the applicant's mark will be understood as meaning 'one', so that the applicant's mark as a whole will be understood as 'TARGET ONE':

“Regarding the conceptual similarities of the later mark and each of the earlier marks, all of the marks in question begin with 'target' and share this concept. The later mark also includes the suffix 'uni' which (while usually used as a prefix) would be understood by the consumer as indicating 'one.’”

52. Further, the opponent contends that the sequence 'uni' will be understood as laudatory or indicating that the mark is a part of a series or family, and that this will result in the consumer not paying significant attention to the 'uni' element of the applicant's mark.

53. The opponent's argument seems to me to be hopeless. The applicant's mark consists of one indivisible unit; it is presented as one word and does not lend itself to deconstruction into separate components. The approach taken by the opponent, instead, improperly deconstructs the applicant's mark in an artificial manner with a view to establishing a conceptual similarity that is not there. The opponent's line of argument that the UK consumer is able to make a connection between the sequence 'uni' and the English word 'one', which he will therefore associate with the mark 'TARGET ONE', requires the consumer in question to deconstruct the applicant's mark

too much in order to make an association between the marks, and thus seems too implausible to be accepted.

54. In addition, in the event that the relevant public perceives the word 'target' in the word mark 'targetuni', it is unlikely to perceive the mark as 'TARGET ONE'. The most that can be said is, in my opinion, that the average consumer will perceive 'targetuni' as an invented word which incorporates the word 'target'. Whilst I accept that one of the dictionary definitions of 'uni' is "*prefix - having or consisting of only one*", for that meaning to be recognised and understood, the word must be used correctly as a prefix (i.e. placed before the word it is combined with, for example, *unilateral, unisex*). The trouble with the construction contended by the opponent is that it is neither natural nor grammatically correct. The reading of the ending 'uni' as a suffix is not consistent with the rules of grammatical construction because 'uni' is a prefix not a suffix and suffixes – such as '-ly' or '-ness' - are added to the end of words, not to their beginnings. A word is, taken per se, either as a prefix or a suffix, and a prefix cannot be used as a suffix (or vice versa). Consequently, I reject the opponent's argument that 'uni' is a suffix or that the average consumer when faced with the mark 'targetuni' will give the sequence 'uni' the same meaning as that of the prefix 'uni'.

55. Whilst I consider that the sequence 'uni' is commonly used as short for university, none of the goods and services at issue relate to education or university, so I think that the average consumer faced with the mark 'targetuni' presented as one word in the context of the goods and services for which registration is sought, will not split the mark into two components in the absence of a sufficiently close link with universities.

56. I also asked myself whether notional use of 'targetuni' would cover use of 'TargetUni' presented as two separate elements (which is how the applicant's name is recorded). However, the opponent did not address this point and it is not how it set out its case in its statements of grounds and/or submissions.

57. Nevertheless, I find that while the rule is that a word-only mark covers use in any case, I have not been referred to any authority which supports the view that when a word mark is registered in lower-case letters, notional use of that mark would cover use in a mixture of upper and lower-case letters, even in circumstances where such

use would break the mark into various parts. In this case the word ‘targetuni’ is an invented word and since the commonality with the previous mark is clearly perceived when the mark is separated by way of use of upper- and lower-case letters, I find that the rule applies restrictively here and that the comparison between the marks should not be extended to the mark written as ‘TargetUni’.

58. Contrary to the opponent’s submission, my view is that the relevant public will perceive ‘targetuni’ as a one-word mark within which the sequence ‘uni’ does not play an independent distinctive role. As I have said at paragraph 54, even if some consumers were to perceive the word ‘target’ in ‘targetuni’, it does not create a conceptual similarity in the true sense since one mark has a clear concept and the other does not, and there is at most a very limited degree of conceptual overlap.

#### **Distinctive character of the earlier trade mark**

59. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, 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).”

60. From an inherent perspective, the earlier mark ‘TARGET’ consists of an ordinary dictionary word which does not directly describe to the goods and services for which it is registered. As such, it has, at best, a medium degree of inherent distinctive character.

61. The opponent has claimed that the distinctiveness of the mark ‘TARGET’ has been enhanced through use and that the opponent’s marks form a family of marks. As a preliminary matter, I note that the opponent contended that since the applicant did not deny these claims when it filed its defence, they should be treated as being admitted. Although it is true that the applicant did not address the issue relating to the enhanced distinctive character of the earlier marks and the existence of a family of marks, the TM8 and counterstatement filed by the applicant set out the nature of the applicant’s case in relation to other issues to which the opponent’s claims are relevant, for example, the applicant subjected the First Earlier Mark to proof of use and claimed that the other earlier marks might possibly be invalid. I therefore reject the opponent’s argument and I move on to assess the evidence.

62. The opponent’s evidence consists of two witness statements, one from Mark Andrew Corran, a solicitor employed by Artington Services Limited (the opponent’s representative in these proceedings), and one from Daniela Burghardt, a German lawyer from Bok Legal - another firm representing the opponent (but not in these proceedings). Mr Corran’s evidence relates to the grounds based upon Section 3(6) to which I will return. The evidence that is relevant to the opponent’s claims under Section 5(2)(b) is contained within Ms Burghardt’s statement.

63. Ms Burghardt explains that the opponent is the central bank for the euro currency. Her evidence is that the opponent has provided a number of payment services under the mark ‘TARGET’ and other marks incorporating the word ‘TARGET’ since 1994. These services have been created to allow the free flow of cash, securities and collateral across the European Union and are typically used for large value transfers.

According to Ms Burghardt, the services provided by the opponent under the 'TARGET' mark include:

- TARGET2, a real time gross settlement;
- TARGET2-Securities, a security settlement platform and
- TARGET Instant Payment Settlement, an instant payment settlement service.

64. Ms Burghardt provides the following:

- Exhibit DB1: copy of an extract from a brochure dated 1998;
- Exhibits DB2, DB11, DB14-16 and DB20: printouts from the opponent's website at ecb.europa.eu dated 30 July 2020 (after the relevant date);
- Exhibits DB3-11: copies of extracts from the opponent's annual reports. The earliest report is from 2000 and the latest from 2019;
- Exhibits DB12-13: copies of TARGET newsletters from 2009 and 2014;
- Exhibits DB17-18: printouts from Wikipedia about TARGET2 and T2S (TARGET2-Securities);
- Exhibit DB19: a list of TARGET2 users downloaded from the opponent's website on 6 April 2020 (after the relevant date);
- Exhibit DB21: a printout from SWIFT website dated 30 July 2020.

65. There is very little narrative in Ms Burghardt's witness statement to assist me as to the significance of any of the evidence she produced. Nevertheless, the following information can be extrapolated from the exhibits:

- i. TARGET stands for Trans-European Automated Real-Time Gross settlement Express Transfer (TARGET) system;<sup>6</sup>
- ii. TARGET Services are financial market infrastructure services developed and operated by the Euro-system which ensure the free flow of cash, securities and collateral across Europe;<sup>7</sup>

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<sup>6</sup> Exhibit DB17

<sup>7</sup> Exhibit DB1

- iii. The Euro-system TARGET services consist of 3 pan-European platforms: TARGET2, a real-time gross settlement system for euro payment transactions related to the Euro-system's monetary policy operations, as well as bank-to-bank and commercial transactions; TARGET2-Securities (T2S), a single platform for Europe-wide securities settlement; and TARGET Instant Payment Settlement (TIPS), which allows payment service providers to offer their customers the instant transfer of funds;
- iv. The TARGET platforms were developed by European Central Bank and the national central banks of the EU member states in order to facilitate the implementation of the single monetary policy, increase the efficiency of intra-European cross-border payments and provide a safe mechanism for the settlement of cross-border payments;
- v. TARGET went live in January 1999. TARGET2 started to replace TARGET in 2007;<sup>8</sup>
- vi. TARGET2-Securities project was launched in 2008 and started operation in 2015;<sup>9</sup>
- vii. TARGET is the most widely used system in Europe for large euro-payments;
- viii. Users of TARGET services are euro and non-euro banks and financial institutions.<sup>10</sup>

66. The only facts Ms Burghardt reports are that 1) the opponent sells access to its 'TARGET' services to SWIFT and its affiliates which, in turn, provide access to the opponent's services to their consumers and 2) the opponent promotes its target services at Sibos, an annual banking and financial conference organised by Society for Worldwide Interbank Financial Telecommunication. Exhibits DB14-15 shows that the ECB at Sibos took place in Canada (2017) and Geneva (2016).

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<sup>8</sup> Exhibit DB17

<sup>9</sup> Exhibit DB18

<sup>10</sup> Exhibit DB19

## Assessment

67. Insofar as assessing the opponent's evidence is concerned, neither the narrative nor the exhibits address the fundamental question of use in the UK. However, it should not have been difficult to appreciate what information was required to provide justification for the opponent's claims. For example, whilst in order to discharge the onus to show genuine use of a EUTM it will be sufficient to show genuine use within the territory of the EU (not necessarily within the UK), to show that the mark has acquired enhanced distinctive character through use, the opponent ought to furnish proof of use in the UK. Likewise, the 'family of marks' argument needs to be supported by evidence of use in the UK of all the marks belonging to the opponent.

68. The article from Wikipedia exhibited at DB17 lists the countries that migrated from TARGET to TARGET2 in 2007-2008 and those that joined TARGET2 later in 2009, 2010 and 2011. The webpage from the opponent's website exhibited at DB20 also lists all of the countries participating to TARGET2. There is no reference to the UK being part of either TARGET or TARGET2. That is not surprising, given that the UK did not seek to adopt the euro as its official currency for the duration of its membership of the European Union. The article from Wikipedia states:

"The use of TARGET2 is mandatory for the settlement of any euro operations involving the Euro-system. The Euro-system consists of the European Central Bank (ECB) and the national central banks of the 19 European Union member states that are part of the Eurozone. Participation in TARGET2 is mandatory for new member states joining the Eurozone.

TARGET2 services in euro are available to non-Eurozone states. National central banks of states which have not yet adopted the euro can also participate in TARGET2 to facilitate the settlement of transactions in euro. Central banks from five non-Eurozone states Croatia, Bulgaria, Denmark, Poland and Romania also participate in TARGET2.

In 2012, TARGET2 had 999 direct participants, 3,386 indirect participants and 13,313 correspondents.

[...]

**Access criteria**

Supervised credit institutions established within the European Economic Area are the primary participants to TARGET2 services. Supervised investment firms, clearing and settlement organisations which are subject to oversight and government treasuries can also be admitted as participants”

69. Although this evidence refers to TARGET2 services being available to non-Eurozone states and provides information about the number of participants, there is no specific information about the UK participation to TARGET services. The list of participants exhibited at DB19 is probably about as good as it gets. The list contains a few references to UK banks (although some of the names seem to refer to branches based outside the UK, e.g. Lloyds Bank GmbH, Barclays Bank Ireland - Frankfurt and Hamburg branches) and London-based branches, e.g. Barclays Bank UK PLC London, China Citic Bank Corporation Ltd, London branch, however, nothing is said about the extent of this participation. Most importantly there is no information as to whether the UK-based participants had already joined TARGET2 at the filing date of the application at issue, i.e. the relevant date, (and for how long) or the value of the transactions involving UK-based participants. Further, there is nothing to indicate that the services have been advertised in the UK. Consequently, my conclusion is that given the absence of evidence in relation to the actual use of the marks in the UK, the opponent has not substantiated use at the relevant date for the purpose of making good its claims that the distinctiveness of the earlier marks have been enhanced through use in the UK and/or that the UK consumers have been exposed to the opponent’s claimed family of marks.

70. I should make a final comment on the opponent’s evidence. It seems relatively clear that the opponent’s services consist of pan-European platforms which are used by banks and other financial institutions to carry out financial operations involving large amount of money. These services, although financial in nature, do not appear to target the same users as those targeted by the services for which the applicant seek registration, so any use would be irrelevant in respect of the applicant’s services in term of assisting the opponent in establishing a likelihood of confusion from the perspective of the relevant consumers.

## Likelihood of confusion

71. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. 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 services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind.

72. The main points from my analysis are as follows:

- I have found the parties' goods and services to be similar to varying degree, from identical to similar to a low degree;
- I found the average consumer of the parties' goods in class 9 and services in class 42 to be businesses. The remaining services in class 36 are likely to be sought by both members of the general public and businesses;
- I found that the goods and services will be selected primarily by visual means (although I do not discount an oral component). I have concluded that an above medium degree of attention will be paid during the purchasing process;
- The earlier mark has, at best, an average degree of distinctive character;
- The marks are visually and aurally similar to a medium degree. Conceptually the applicant's mark will be perceived as an invented word, whereas the opponent's mark will convey a clear concept, so there is at most a very limited degree of conceptual overlap.

73. I will consider the likelihood of confusion with regard to those services which I have found to be identical as if there is no likelihood of confusion in respect of those services, there will be no likelihood of confusion in respect of those goods and services which share a lesser degree of similarity.

74. In *The Picasso Estate v OHIM*, Case C-361/04 P, the CJEU found that:

“20. By stating in paragraph 56 of the judgment under appeal that, where the meaning of at least one of the two signs at issue is clear and specific so that it can be grasped immediately by the relevant public, the conceptual differences observed between those signs may counteract the visual and phonetic similarities between them, and by subsequently holding that that applies in the present case, the Court of First Instance did not in any way err in law.”

75. In my view, the clear and specific meaning conveyed by the opponent’s mark is such that it will be grasped immediately by the average consumer and will counteract the aural and visual similarities between ‘TARGET’ and ‘targetuni’ to the extent that it is sufficient to rule out the possibility that, even in respect of those services that are identical, the average consumer paying an above medium (or even medium) degree of attention will directly confuse the marks and misremember the marks as each other. I am satisfied that this case is one of those in which the conceptual differences between the marks clearly neutralise the medium degree of visual and phonetic similarities. **There is no likelihood of direct confusion.**

76. I will now consider whether there is a likelihood of indirect confusion (which is how the opponent frames its case in relation to the likelihood of confusion). Indirect confusion was described in the following terms by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the

later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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 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)."

77. Taking into account all of the above, I can see no reason why the average consumer would assume that the marks come from the same or economically linked undertakings. As I have said at paragraphs 51-58, I do not accept that the average consumer would realistically understand 'targetuni' to mean 'TARGET ONE'. As the sequence 'target' in 'targetuni' does not perform an independent distinctive role, there is no common element between the marks. **There is no likelihood of indirect confusion.**

78. For the above reasons, even if the evidence were deemed sufficient to establish proof of use of the First Earlier Mark it would not assist the opponent.

79. As I have found no direct or indirect confusion in respect of those services which are identical, it follows that there will be no likelihood of confusion in respect of those goods and services that share a lesser degree of similarity.

80. The opposition based on Section 5(2)(b) fails.

### **Section 3(6)**

81. Section 3(6) of the Act states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

82. The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark, The Appointed Person*, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark, The Appointed Person*, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

83. The law appears to be as follows:

- (a) While in everyday language the concept of ‘bad faith’ involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.

- (b) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.
- (c) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.
- (d) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- (e) This may be the case where the exclusive right was sought as part of a strategy of using widely cast trade mark registrations as legal weapons for use against others in opposition proceedings and/or for the purposes of blocking applications by third parties: *Sky EWHC* and *Copernicus-Trademarks v EUIPO*.
- (f) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.
- (g) This may be the case where the applicant has included a specific term in the specification, such as 'computer games', with no intention of using the mark in relation to any such goods, simply to obstruct third parties from using or registering the same mark, or similar marks. It may also be the case where the applicant has included a broad term, such as 'computer software', with the

intention of using the mark in relation to a particular sub-category of such goods/services, but no intention of using the mark in relation to all the other (sometimes very different) sub-categories of goods/services covered by the broad term, with the objective of obstructing third parties from using or registering the mark in relation to such goods/services: *Sky EWHC*.

- (h) In deciding whether there was a rationale for registering the trade mark in relation to any particular term, it is necessary to bear in mind that trade mark proprietors have a legitimate interest in seeking protection in respect of goods or services in relation to which they may wish to use the trade mark in future (even if were no plans to use the mark in relation to the goods/services at issue at the time of filing the application): *Sky EWHC*. It is therefore relevant to consider whether the goods/services in the contested application are related to those for which the mark has been used, or for which the applicant had plans to use the mark.

84. The following points are apparent from the pre-*Sky* case-law about registering trade marks in bad faith:

- (i) Although it may be a relevant factor, the mere fact that the applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.
- (j) Similarly, the mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.
- (k) However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an

unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

- (l) An application may also have been filed in bad faith where the applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon, Mouldpro*; or where a legal agreement prohibits such a filing.

85. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

- (a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application could not be properly filed? and
- (c) Was it established that the contested application was filed in pursuit of that objective?

86. The applicant's intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

87. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

88. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

89. A statement on the application form that the mark is in use, or there is a *bona fide* intention to use it may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration: *Sky CJEU*.

90. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

### **The opponent's case (and evidence)**

91. The opponent's case under Section 3(6) is that there is no genuine commercial rationale behind the application and that the breadth and diversity of the goods and services covered by the applicant's specification implicitly establishes 'no intention to use' and bad faith. In this connection, the opponent alleges that the applicant's objective in applying for the mark was to obtain "*the benefit of an extremely broad monopoly in the [mark 'targetuni'] and – as such- covered goods and services in the application that it would never sell*". It also alleges that since the applicant had *no bona fide* intention to use the mark in relation to all of the goods and services covered by the application, it could not have made a genuine declaration under Section 32(3) of the Act.

92. The opponent has filed evidence in support of its opposition under Section 3(6) in the form of a witness statement by Mark Corran, a solicitor employed by the opponent's representatives in these proceedings. Mr Corran's evidence consists of the results of Internet searches. The following exhibits are attached to Mr Corran's statement:

- MC1: printouts showing the results of a Google search of 'targetuni'. Mr Corran points out that one of the results refers to 'target-uni Digital Market' underneath the URL [www.targetuni.com](http://www.targetuni.com), which, he says, is the applicant's website;
- MC2 and MC5: printouts said to be from [www.targetuni.com](http://www.targetuni.com) (although the website address is not visible). Mr Corran states that the pages (in Chinese)

appeared when it clicked on two of the links at the top left of the website. The first page features the word TARGET (stylised) above three Chinese addresses and shows website addresses @targetuni.com;

- MC3, MC4 and MC6: screenshots of the results obtained when Mr Corran applied Google translate to the text appearing on MC2 and MC5. They show that one of the addresses is the same as the opponent's addresses and that the services offered relate to communication;
- MC8-10: copy of a EUTM and two US applications for the mark 'targetuni' filed by the applicant on 10 April 2019 and 26 June 2019.

93. In its submissions, the opponent makes the following points:

- The specification covered by the US application is more restricted than that of the UK and the EU applications; the allegation is that the applicant applied for a more restricted specification in the US because the US signatory document contains a warning that false statements are punishable with fines and imprisonments, whereas the consequences of filing an application for a trade mark without intention to use the mark are far less serious in the UK and in the EU. Further, the differences in the specifications of the UK, EUTM and US applications (with the EUTM covering only classes 35, 38 and 42 and the US application covering only class 42) is evidence that the applicant has not actually considered the goods and services it intends to sell in the UK;
- It is apparent from the applicant's website that the applicant sells marketing services and related services in China; it is extremely unlikely that a marketing company would ever begin to sell some of the goods covered by the specification, such as electricity mains and pedometers;
- The applicant has not filed any evidence to demonstrate that the application was filed in good faith, so the inference is that it was filed in bad faith;
- The opponent considers that it has established a *prima facie* case of bad faith and says that on the basis of the decision in O-279-03 the burden of proof has shifted on the applicant to rebut the opponent's case.

94. The applicant denied all of the opponent's allegations under Section 3(6) in its counterstatement. In particular the applicant contended that:

- Marketing companies can expand the products and services they offer;
- The applicant's company is owned by KEDA GROUP CO. LTD, a company listed on Shanghai Stock Exchange and it is committed to develop foreign business markets, so it has a *bona fide* intention to use the applied for mark;
- If according to the logic of the opponent, the category of trade mark cannot be extended without a reasonable intention, then why would the marks registered by the opponent, which is a bank enterprise, cover telecommunication services?
- The applicant refers to a trade mark registered by an oil company which covers a wide range of classes;
- The applicant did not violate Section 3(6) and Section 32(3) of the Act.

### Assessment

95. The basis of the opponent's bad faith is the width of the specification of goods and services covered by the application.

96. In *Jaguar Land Rover Ltd v Bombardier Recreational Products Inc.* [2016] EWHC 3266 (Ch) Nugee J. found that applications by Jaguar Land Rover to register DEFENDER, which was used in relation to a 4 x 4 vehicle, as a UK trade mark for "*motor land vehicles*" generally, and as a EU TM for "*land vehicles, motor vehicles, motor land vehicles*", were not filed in bad faith. This was because the DEFENDER mark had been used in relation to vehicles which literally corresponded with each of the descriptions for which the mark was registered. The fact that the descriptions covered other products as well did not mean that the applications had been filed in bad faith.

97. I also take into account the later judgment of Arnold L.J. in the High Court in *Sky v Skykick* [2020] EWHC 990 (Ch). This case concerned the registration of a mark for, inter alia, *computer software* at large. The registration was found to be part of a

strategy of filing wide specifications for use as “legal weapons” in opposition proceedings. The judge held that this was an act of bad faith.

### Assessment

98. First, bad faith is a serious allegation which must be distinctly pleaded and proved, and good faith is presumed until bad faith is proved. It is not enough to prove facts which are also consistent with good faith.

99. Second, the CJEU judgment in *Sky* did not say that simply because an applicant files for protection for a wide range of goods and services is, in itself, sufficient to find bad faith. On the contrary, the CJEU confirmed that the bad faith of a trade mark applicant cannot be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application<sup>11</sup>. Likewise, the fact that the applicant applied in other jurisdictions for the same mark but for more restricted specifications is not sufficient to establish bad faith. The case BL-O-279-03 to which the opponent refers, relates to the allegation that the existence of a very large number of unused registrations and applications indicated that the proprietor was filing applications to register marks without having any genuine intention of using them. As it relates to different facts and parties, it does not assist the opponent in establishing a *prima facie* case of bad faith against the applicant.

100. Third, it is necessary to consider whether the opponent’s case can succeed by default. I have already said that the applicant through its counterstatement was not silent and did address the issues raised including the commercial logic underlying the filing of the application. In particular, the applicant denied the opponent’s allegations of bad faith by stating that it is connected to a company listed in the Shanghai Stock Exchange and has a reasonable commercial rationale for seeking a broad scope of protection for the contested mark, given that it is committed to develop foreign businesses. In *SKYCLUB* (BL-O-044-21), Prof. Phillip Johnson, sitting as the Appointed Person, referred to the relevance of CPR 16.5(3) in trade mark

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<sup>11</sup> Paragraph 78

proceedings; that rule establishes that when an allegation is not denied, but the defence sets out the nature of the defendant's case in relation to the issue to which that allegation is relevant, then the allegation must be proved by the claimant. In this case, the allegations of bad faith have been expressly denied by the applicant which means that the burden of proof has not shifted. The opponent also points out that the applicant did not provide any evidence and says that an inference that the mark was filed in bad faith should be drawn from this. I refuse the opponent's suggestion. In *Sky* Lord Justice Arnold found<sup>12</sup> that it would be wrong to draw an inference adverse to Sky from the absence of contemporaneous documents justifying or explaining their filing strategy.

101. Fourth, the CJEU decision did not establish that 'lack of intention of use' is sufficient on its own to establish bad faith and held that a trade mark application made without any intention to use the trade mark in relation to the goods and services covered by the registration constitutes bad faith if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

102. Fifth, although the opponent seems to accept that the applicant offers some of the services covered by the contested specification (for example advertising services in class 35 would fall within the applicant's marketing services) it sought to oppose the entire application; I assume this is on the basis that bad faith in relation to some goods and services taints the whole application (although it was not clearly stated). However, the CJEU clearly stated that a mark can only be declared invalid in relation to those goods and/or services in respect of which the Court finds that the application was made in bad faith, rather than invalid in its totality<sup>13</sup>. Whilst the opponent referred to some examples of goods and services which it claims do not have the slightest connection with the applicant's actual economic activity, it has failed to plead the respects in which the specification is too wide and to demonstrate that in applying for

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<sup>12</sup> [2018] EWHC 155 (Ch), paragraph 240

<sup>13</sup> Paragraph 80

a wider specification the applicant's conduct was dishonest or otherwise fell short of the standards of acceptable commercial behaviour observed by the ordinary standards of honest people.

103. Finally, although the fact that some of the goods and services in the contested application are not related to those for which the applicant's mark seems to have been used might arise suspicions, it does not by itself necessarily mean that the application was made in bad faith. In this connection, I bear in mind that the Sky case is very different from the present case. In that judgment Lord Justice Arnold found that the specifications included, amongst others, goods in relation to which Sky, a media and telecommunications company, had no intention to use the trade marks at all, namely 'bleaching preparations', 'insulation materials', and 'whips'. However, in that case the lack of intention of Sky to use the mark in relation to those goods was clear from the fact and the evidence filed; in particular the judge held that there was no foreseeable prospect that Sky would ever intend to use the trade marks in relation to those goods and that Sky made the applications pursuant to a deliberate strategy of seeking very broad protection regardless of whether it was commercially justified. In this case I do not find that there is sufficiently persuasive evidence to support a bad faith claim.

103. The opposition based on Section 3(6) grounds fails.

## **OUTCOME**

104. The opposition is unsuccessful. The application will proceed to registration.

## **COSTS**

105. As the applicant has been successful is entitled to a contribution towards its costs. I award costs to the on the following basis:

Preparing a statement and considering the opponent's statement:

£200

Considering the opponent's evidence and written submissions:

£200

Total:

£400

106. I therefore order European Central bank to pay Guangzhou TargetUni Digital Marketing Company Limited the sum of £400. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 2<sup>nd</sup> day of February 2021

T Perks

For the Registrar,

the Comptroller-General