

O/918/21

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 3508526

BY TENTON LIMITED

TO REGISTER A TRADE MARK IN CLASS 42

AND

OPPOSITION No. 421922

BY FACEBOOK INC.

Background and pleadings

1. This is an opposition by Facebook Inc., (“the opponent”) to an application filed on 6th July 2020 (“the relevant date”) by Tenton Limited (“the applicant”) to register **lossbook** as a trade mark.

2. Following an amendment to the specification made after publication of the application for opposition purposes, the specification of services stood as:

Class 42: Software as a service; Software as a service [SAAS] services; Software as a service [SaaS]; Software as a service [SaaS] featuring computer software platforms for artificial intelligence; Software as a service [SaaS] featuring software for deep learning; Software as a service [SaaS] featuring software for deep neural networks; Software as a service [SaaS] featuring software for machine learning; Software as a service [SaaS] services featuring software for machine learning, deep learning and deep neural networks; Application service provider (ASP) services, namely, hosting computer software applications of others; Application service provider [ASP], namely, hosting computer software applications of others; Platform as a service [PaaS] featuring software platforms for transmission of images, audio-visual content, video content and messages; Platforms for artificial intelligence as software as a service [SaaS]; Platforms for gaming as software as a service [SaaS]; Platforms for graphic design as software as a service [SaaS]; *all of the aforesaid for use exclusively in relation to the adjustment and analysis of insurance losses and development of insurance strategy in the property and casualty insurance section and provided to an exclusive distribution network of insurance professionals in the property and casualty insurance market.*

3. The opposition is based on the four earlier trade marks set out below.

| Mark | Status | Filing date | Opponent relies on goods/services in class(es) |
|----------------------------|-------------------------------|--------------------|---|
| EU018075708 BOOK | Pending. Opposed at the EUIPO | 6/06/2019 | 9 |

| | | | |
|--------------------------------|---|----------|---|
| EU018075717 BOOK | Registered. Application at EUIPO for invalidation | 3/06/19 | 42 |
| EU017918069 FACEBOOK | Registered. Application at EUIPO for invalidation | 14/06/18 | 9, 35, 36, 38, 41, 42 and 45 for section 5(3) ground, and 9, 16 & 42 for section 5(2) ground |
| UK3329154 FACEBOOK | Registered | 3/08/18 | 9, 35, 36, 38, 41, 42 and 45 for section 5(3) ground and 9, 42 and 45 for section 5(2) ground |

4. Trade mark application EU018075708 has been opposed by a third party and is still pending at the EUIPO. The other three marks are registered but none of them have been registered long enough to fall within the ‘proof of use’ requirements set out in section 6A of the Trade Marks Act 1994 (“the Act”). The opponent claims that the services covered by the contested mark are the same or similar to the goods/services covered by the earlier marks in classes 9, 16, 42 and 45. Further, the opponent claims that the contested mark is similar to the earlier marks and there exists a likelihood of confusion on the part of the public, including the likelihood of association with the earlier marks. Consequently, the opponent asks for the application to be refused under section 5(2)(b).

5. Further, the opponent claims that the FACEBOOK marks have a strong reputation in the EU and UK, respectively, for all the goods/services for which the marks are registered in classes 9, 35, 36, 38, 41, 42 and 45. It says that use of the contested mark would, without due cause, take unfair advantage of, and/or be detrimental to, the reputation and/or distinctive character of the earlier marks. Therefore, registration of the contested mark should be refused under section 5(3) of the Act.

6. The applicant denies the grounds of opposition.

Representation

7. The applicant is represented by Forresters IP. The opponent is represented by Stobbs. The matter came to be heard on 7th October 2021 by videoconference links. The applicant was represented by Mr Mark Bhandal. The opponent was represented by Mr Julius Stobbs.

The evidence

8. The opponent's evidence consists of a witness statement by Mr Paulo Sousa of Facebook and another by Mr Geoffrey Weller of Stobbs. Mr Sousa is Facebook's 'Lead Counsel for Brands and Marketing Legal'. He only joined Facebook in January 2021, so his evidence comes primarily from the company's records. The main purpose of Mr Sousa's evidence is to establish Facebook's reputation. Mr Weller is a trade mark attorney. His statement is merely a vehicle for the opponent to bring to my attention the dictionary meaning of the word 'Loss' and the absence from dictionaries of any entry for 'Lossbook'. I will return to the opponent's evidence, so far as it is necessary, when I come to consider the distinctive character and reputation claimed for FACEBOOK and the likelihood of confusion between **lossbook** and the opponent's earlier marks.

9. The applicant's evidence consists of a witness statement by Mr Mark Bhandal of Forresters IP. The purpose of his evidence appears to be to draw my attention to (a) the 1508 registered UK marks ending with -BOOK, of which 359 are registered in class 42, (b) that in searches of the internet conducted in June 2021, 44 of the trade marks registered in the UK or EU and covering class 42 were found to be in use (although not necessarily in the UK), and (c) that 8 oppositions filed by the opponent at the EUIPO against marks ending with – BOOK failed in whole or in part. It is well established that mere 'state of the register' evidence is of no assistance.¹ Therefore, there is no need for me to say any more about (a). I have noted the decisions of the EUIPO which the applicant considers to support its position (as well as the opponent's reference to various decisions of the EUIPO which it considers support its position).

¹ See, for example, *Zero Industry Srl v OHIM*, Case T-400/06, where the General Court found that in the absence of evidence that they are in use "...the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned."

None of these decisions concern an application to register **lossbook** for the services covered by the opposed UK application. It would be inappropriate to make my decision based on what others have decided in relation to different marks/services and, in most cases, taking account of the perceptions of users whose first language is not English. Consequently, there is no need for me to say any more about (c) either. I will return to (b) when I come to assess the likelihood of confusion between the contested mark and the earlier BOOK marks.

Retained EU law

10. Although the UK has left the EU, section 6(3)(a) of the European Union (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 Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Application for suspension or separation of proceedings

11. On 21st June 2021, the applicant sought a stay of proceedings on the basis that three of the four earlier marks relied on by the opponent are subject to outstanding opposition or cancellation proceedings brought by third parties at the EUIPO, or that the opposition be limited to earlier UK trade mark 3329154. This was rejected on 25th June because:

(1) Not all the earlier marks were subject to outstanding opposition/cancellation proceedings, and

(2) The opponent had not at that point indicated whether it intended to continue with the opposition following the amendment to the applicant's specification (i.e. the addition of the words in italics shown in paragraph 2 above).

12. The applicant did not dispute the registrar's preliminary decision to reject the suspension request.

13. The opponent subsequently confirmed that it intended to continue with the opposition.

14. On 29th September 2021, the applicant made a further request for the proceedings to be suspended until the EUIPO decides on the opposition/cancellation proceedings brought against three of the four earlier marks relied on by the opponent, or that these UK opposition proceedings be limited to consideration of earlier UK trade mark 3329154 (FACEBOOK).

15. The opponent submitted that I should make a final decision on all four earlier marks, the registered EUTMs for BOOK and FACEBOOK being deemed valid unless or until a decision is made that they are invalid.

16. The relevant parts of Rule 62 are as follows:

“62.—(1) Except where the Act or these Rules otherwise provide, the registrar may give such directions as to the management of any proceedings as the registrar thinks fit, and in particular may—

(a) –

(b) -

(c) -

(d) –

(f) stay the whole, or any part, of the proceedings either generally or until a specified date or event;

(g) -

(h) direct that part of any proceedings be dealt with as separate proceedings;

(i) -

(j) –“

17. Rule 62(1) clearly gives the registrar a wide discretion as to how to manage proceedings. However, any directions issued under this Rule must be fair to the parties and proportionate to the risk of unjustified loss/denial of property or other legal rights. The opponent is correct that the earlier registered EUTMs must be deemed valid earlier rights at this stage. Consequently, it is not open to me to strike out the grounds based on those marks. On the other hand, refusing the applicant’s application on the

basis of earlier marks the validity of which is being challenged, could mean denying the applicant a property right to which it may ultimately be shown to have been entitled. The opponent's earlier pending EUTM EU018075708 (BOOK) is only an earlier trade mark subject to it being eventually registered. It would, therefore, be open to the registrar to direct that the opposition based on that pending mark be separated and permanently stayed. If the other grounds of opposition fail, the contested mark would be registered. The opponent would then have to initiate post registration invalidation proceedings in order to assert its rights under EUTM EU018075708 (BOOK), in the event that this mark is eventually registered and protected in the UK. Such a course would protect the rights of both parties.

18. Having considered the pros and cons of the matter, I decided at the hearing to make a decision on the UK FACEBOOK mark. If the decision were to refuse the applicant's application then there would be no need to turn to the EUTMs. If I were to decide that the opposition based on the UK FACEBOOK mark fails, then I would move on to consider whether the opponent's EU FACEBOOK mark and/or the earlier EUTMs for the word BOOK placed it in any better position. If I were to decide that the opposition still fails, then this will be a final decision. However, if I were to decide that the opposition succeeds in whole or in part based on one or more of the earlier EUTMs, but that depended on the survival of the EUTMs for BOOK or FACEBOOK, then I would suspend the implementation of my decision until the outcome of the EUIPO proceedings is known. In that event, I would identify the goods and services that would have to survive the opposition/cancellation proceedings at the EUIPO in order for my preliminary decision to stand.

The opponent's objection to the applicant's revised specification

19. The opponent's skeleton argument complained about the restriction added to the applicant's specification in June 2021. This was said to contain two separate limitations that relate to characteristics of the services rather than the inherent nature of the services themselves, i.e. "...for use exclusively in relation to..." and "...provided to an exclusive distribution network of..."

20. According to the opponent, specifications with such limitations are precluded by the judgment of the CJEU in *Postkantoor*.² That case concerned an application to register the Dutch words for 'Post Office' for '*the services of direct-mail campaigns and the issue of postage stamps, provided they are not connected with a post office*' (emphasis added). The Benelux court referred various questions to the CJEU which answered the one relevant for present purposes as follows:

"114.where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic.

115. Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties — particularly competitors — would not, as a general rule, be aware that for given goods or services the protection conferred by the mark did not extend to those products or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consists and which are descriptive of that characteristic for the purpose of describing their own goods."

21. The specific requirement for legal certainty identified in the *Postkantoor* case arose again in *IP Translator*³ where the CJEU ruled that:

"Directive 2008/95 requires the goods and services for which the protection of the trade mark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection sought."

22. As Sales J. noted in *Total Limited v YouView TV Limited*⁴, the CJEU in *IP Translator* did not find that any degree of uncertainty about the meaning of a word or phrase used in a specification should result in the refusal or invalidation of the trade mark. The issue only arises when there is sufficient lack of clarity and precision in the

² Case C-363/99, *Koninklijke KPN Nederland NV v Benelux-Merkenbureau*

³ *Chartered Institute of Patent Attorneys v Registrar of Trade Marks*, Case C-307/10

⁴ [2014] EWHC 1963 at [57]

specification as to create an unacceptable level of uncertainty about the scope of protection to which the trade mark is entitled.

23. From the way Mr Stobbs explained the opponent's case at the hearing, it appeared that the difficulty with the words "...for use exclusively in relation to.." was understanding how the services listed prior to the restriction, e.g. *software as a service* could be "...for use exclusively in relation to *adjustment and analysis of insurance losses and development of insurance strategy in the property and casualty insurance section.*" In this connection, my attention was drawn to the judgment of the late Carr J. in *Gap (ITM) Inc v Gap 360 Ltd*⁵ where the learned judge held that travel insurance and recreational services "*all relating to gap travel*" was too vague. The problem seems to have been with the ambiguous meaning of the words *gap travel*, which the judge held "*would not be understood by a significant proportion of average consumers as limited to a trip of any particular duration, nor to any particular destination, nor for any limited purpose.*" In my view, this criticism does not apply to "*adjustment and analysis of insurance losses*", the meaning of which is clear. Further, with the two exceptions covered below, I reject the submission that that the applicant's services, e.g. *software as a service* could not be used for "*adjustment and analysis of insurance losses*". On the contrary, it seems clear to me how software provided online as a service could be adapted for use in adjustment and analysis of insurance losses.

24. The same cannot be said for *platforms for gaming as software as a service [SaaS]; platforms for graphic design as software as a service [SaaS]*. Mr Bhandal accepted as much at the hearing. When I invited Mr Stobbs to identify any other services that could not be used for "*adjustment and analysis of insurance losses*" he cited *platform as a service [PaaS] featuring software platforms for transmission of images, audio-visual content, video content and messages*. However, I do not see why software for transmission of such data and images could not also be adapted for use in "*adjustment and analysis of insurance losses*". After all, transmission of data/images is a feature of almost all software and software services, irrespective of their specific function. I therefore reject this part of the opponent's case.

⁵ [2019] EWHC 1161 (Ch)

25. I regard the second part of the limitation added in June, i.e. “...and development of insurance strategy in the property and casualty insurance section” as an indication of the general purpose for which the applicant’s software service will be used rather than as a description of the software service itself. In any event, the description is so high level that it would be hard to say whether a particular piece of software is adapted for this purpose or not. Consequently, I consider this part of the limitation is unacceptable for the same reasons as “gap travel.”

26. The further limitation “...provided to an exclusive distribution network of insurance professionals in the property and casualty insurance market” is clearly a description of the intended users of the services rather than of the service itself. The specification of services should not be confused with the target market for them.⁶ This part of the limitation is therefore also contrary to the overriding requirement for clarity and precision.

27. The applicant agreed to change the specification of services and, following the hearing, filed a form TM21B revising its specification to:

Software as a service; Software as a service [SAAS] services; Software as a service [SaaS]; Software as a service [SaaS] featuring computer software platforms for artificial intelligence; Software as a service [SaaS] featuring software for deep learning; Software as a service [SaaS] featuring software for deep neural networks; Software as a service [SaaS] featuring software for machine learning; Software as a service [SaaS] services featuring software for machine learning, deep learning and deep neural networks; Application service provider (ASP) services, namely, hosting computer software applications of others; Application service provider [ASP], namely, hosting computer software applications of others; Platform as a service [PaaS] featuring software platforms for transmission of images, audio-visual content, video content and messages; Platforms for artificial intelligence as software as a service [SaaS]; all of the aforesaid for use exclusively in relation to the adjustment and analysis of insurance losses.

⁶ See *Oska's Ltd's Trade Mark Application* [2005] R.P.C. 20 at [56]

28. I find this specification complies with the overriding requirements for clarity and precision, and avoids the prohibition set out in *Postkantoor* about registering marks for goods/services described by way of characteristics they do not possess. Therefore, I will examine the opponent's grounds of opposition on the basis that the applicant seeks to register the contested mark for the revised specification of services.

The opponent's request to amend the grounds of opposition

29. After the parties exchanged skeleton arguments on 5th October, the opponent applied later the same day to amend its pleadings on which its section 5(2) case was based. It sought to additionally rely on the registration of earlier trade marks EU18075717 (BOOK), EU17918069 (FACEBOOK) and UK3329154 (FACEBOOK) in class 36 for *insurance services* (in the case of EU17918069), or *financial services* (in the case of the other two earlier marks), which the opponent contended covered insurance services. The opponent had from the outset relied on the registration of the two FACEBOOK marks for certain services in class 36 as part of its case under section 5(3). The effect of the amendment would have been to expand the opponent's case under section 5(2) by claiming, for the first time, that the services covered by the contested mark are similar to insurance services.

30. It was submitted on behalf of the opponent that the amendment had become necessary because the applicant appeared to be relying on the contested services in class 42 being, essentially, insurance services. According to the opponent, this was being used to deny identity, or close similarity, between those services and the services in classes 9 and 42 relied on by the opponent as the basis of its section 5(2) case.

31. The applicant opposed the amendment, primarily on the grounds that it had come too late for the applicant to properly address it at the hearing.

32. I refused to allow the amendment. My reasons were:

- (i) EU18075717 (BOOK) does not appear to be registered in class 36. Consequently, there can be no question of allowing the opponent to

add services in class 36 to its section 5(2) case based on EU18075717.

- (ii) Timing. The applicant amended its specification in June. The amendment made it clear that the applicant's services were directed at the insurance sector. If the opponent considered that this necessitated an amendment of its section 5(2) case, it should have applied for the amendment at that time.
- (iii) The opponent's primary case remained that the respective goods/services in classes 9 and 42 were identical or similar, despite the amendment of the applicant's specification.
- (iv) The applicant's representative confirmed at the hearing that it could not contend that the effect of the amendment was to convert the services listed in the application into insurance services (as opposed to software services relating to insurance). That is plainly correct.

I therefore considered:

- (i) That the arguments set out in the applicant's skeleton did not require the opponent to be allowed to amend its case on the eve of the hearing;
- (ii) The proposed amendment was unlikely to be material;
- (iii) There was no other good reason to permit the amendment at such a late stage.

The Section 5(2)(b) grounds of opposition

33. Sections 5(2)(b) and 5A of the Act are as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark".

“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.”

34. As indicated above, I will start by examining the opponent’s case based on UK3329154 (FACEBOOK). This mark qualifies as an ‘earlier trade mark’ in accordance with section 6 of the Act.

Comparison of goods/services

| Services covered by contested mark | Goods/services covered by UK3329154 |
|--|---|
| <p>Software as a service; Software as a service [SAAS] services; Software as a service [SaaS]; Software as a service [SaaS] featuring computer software platforms for artificial intelligence; Software as a service [SaaS] featuring software for deep learning; Software as a service [SaaS] featuring software for deep neural networks; Software as a service [SaaS] featuring software for machine learning; Software as a service [SaaS] services featuring software for machine learning, deep learning and deep neural networks; Application service provider (ASP) services, namely, hosting computer software applications of others; Platform as a service [PaaS] featuring software platforms for transmission of images, audio-visual content, video content and messages; Platforms for artificial</p> | <p>Class 42: Software as a service (SAAS) services featuring software for sending and receiving electronic messages, notifications and alerts and for facilitating electronic business transactions via the internet and communications networks</p> <p>Class 9: Artificial intelligence software; Software for facilitating interaction and communication between humans and AI (artificial intelligence) platforms; Application programming interface (API) for use in developing AI (artificial intelligence) platforms, namely, bots, virtual agents and virtual assistants</p> <p>Class 42: Application service provider (ASP) services, namely, hosting software applications of others</p> |

| | |
|---|---|
| <p>intelligence as software as a service [SaaS]; all of the aforesaid for use exclusively in relation to the adjustment and analysis of insurance losses.</p> | <p>Class 9: Electronic game software; Video game software; Computer game software</p> <p>Class 42: Providing online sites that gives users the ability to upload, modify and share virtual reality content and data; Providing online sites that gives users the ability to upload, modify and share augmented reality content and data; Providing online sites that gives users the ability to upload, modify and share mixed reality content and data</p> |
|---|---|

35. Goods can be considered identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.⁷ The same applies to services.

36. Taking account of the inclusion principle described in the previous paragraph, the opponent submits that all the services covered by the application are identical to the services in class 42 covered by UK3329154. The applicant relies on the limitation to the applicant's specification as a distinguishing factor. However, as most of the services covered by the opponent's mark are unlimited, and therefore could also be *"for use exclusively in relation to the adjustment and analysis of insurance losses"*, the limitation does not necessarily work to distinguish the respective services. For example, *application service provider (ASP) services, namely, hosting software applications of others... for use exclusively in relation to the adjustment and analysis of insurance losses* in the application is identical to *application service provider*

⁷ *Gérard Meric v OHIM*, Case T- 133/05

[ASP], namely, hosting computer software applications of others covered by earlier mark UK3329154.⁸

37. I find that *platform as a service [PaaS] featuring software platforms for transmission of images, audio-visual content, video content and messages... for use exclusively in relation to the adjustment and analysis of insurance losses* covered by the application, is not identical to *providing online sites that gives users the ability to upload, modify and share mixed reality content and data* (emphasis added), covered by earlier mark UK3329154. This is because the content and data provided through the respective services is unlikely to be used for the same purpose. However, taking account of the guidance from the case law about assessing the degree of similarity between goods/services,⁹ I find that the services are highly similar. This is because they are the same in nature and method of use and have a similar purpose, i.e. giving users access to software tools for use in transmitting and sharing content and data.

38. It is not necessary to examine further the extent of identity/similarity between the goods/services at this stage. It is sufficient to conclude that all the services covered by the application are identical or highly similar to the class 42 services covered by earlier mark UK3329154.

Global assessment

39. 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.

⁸ See, for example, *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220 at paragraph 78 of the judgment of Kitchen L.J.

⁹ *Canon*, Case C-39/97, at paragraph 23 of the judgment

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.

Average consumer and the selection process

40. The opponent submits that the average consumer is an ordinary member of the public exercising a normal degree of care. The applicant submits that the services covered by its application are technical computer services which are aimed at highly trained, highly attentive, insurance professionals. Thus the average consumer will be more attentive than normal. I agree that the services in question are likely to be selected by insurance professionals (or their employers). The effectiveness, reliability and ease of use of software services for use in the *adjustment and analysis of insurance losses* is likely to be highly important to the user. Therefore, such users are likely to pay an above average level of attention when it comes to the selection of such services.

41. The applicant's services seem likely to be selected primarily by visual means, from advertisements in publications and/or websites. However, word of mouth recommendations and oral enquiries must also be considered. Therefore the way the marks sound must also be taken into account in assessing the likelihood of confusion.

Distinctive character of the earlier mark

42. In *Lloyd Schuhfabrik Meyer & Co* the CJEU stated that:

*“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).*

*23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for 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).”*

43. The opponent claims that FACEBOOK is inherently distinctive to “*at least a medium degree*” and has become highly distinctive through use. In this connection, my attention was drawn to the decision of the registrar in case BL O/621/21 (FACETUBE) where the Hearing Officer held that FACEBOOK was very highly distinctive in relation to, inter alia, “*providing temporary use of non-downloadable software applications for social networking, creating a virtual community, and transmission of audio, video, photographic images, text, graphics and data.*”

44. In my view, FACEBOOK has at least (and probably more than) a medium degree of inherent distinctiveness in relation to all the goods/services in classes 9 and 42 on

which the opponent relies for the purposes of this opposition. Admittedly, there is nothing particularly distinctive about the words FACE or BOOK alone, but the combination is highly unusual and memorable. Further, FACEBOOK has no obvious descriptive meaning in relation to social media website services, or any of the specific goods/services covered by the earlier mark.

45. In the Notice of Opposition the opponent claimed that the earlier mark has a reputation for all the goods and services for which it is registered in classes 9, 35, 38, 41, 42, and 45. However, in the accompanying statement of grounds it identified a more limited (and realistic) number of goods/services. i.e. *online networking and related services, as well as computer software, software development, software as a service, and online advertising*. The opponent's skeleton argument suggested that FACEBOOK is renowned:

“as a ...social media platform, as a provider of social, business and community networking products and services and as a provider of related marketing, advertising, business and telecommunications products and services, and as a provider of online services and products available through various channels, including in relation to software development, (sic) and the provision and development of AI related services and tools. The nature of this reputation extends beyond straight social networking to the field of technology generally.”

46. The applicant admits that FACEBOOK has a reputation in relation to social media website services. There can be no doubt about this. According to Mr Sousa's evidence, as at 31st December 2019 FACEBOOK had 42 million active monthly UK users. There is no need to go into his evidence any further for me to find that FACEBOOK is highly distinctive for social media website services. The issue in dispute is whether the mark has become highly distinctive through use for any other relevant goods/services.

47. I start by examining Mr Sousa's statement. He claims that *“Facebook is a world-famous social networking service, mobile application, and website.”* That is wider than the applicant's concession about the extent of FACEBOOK's reputation, but not materially so. Mr Sousa goes on to explain that *“Facebook's key products/features*

include, among other things: Facebook Profile, Facebook News Feed, Facebook Marketplace, Facebook Messenger, Facebook Groups, Facebook Events, Facebook Video, Facebook Photos, and Facebook Pages.” Therefore, these appear to be the main services available via the FACEBOOK social networking website. As one would expect, they are for enabling social interaction and engagement between users, and for their entertainment. FACEBOOK also provides tools for third party publishers to use to create articles on its website.

48. Aside from the FACEBOOK social networking website, Mr Sousa draws attention to a number of software applications provided by FACEBOOK. These include Facebook Messenger, which appears to be a telecommunication service. Users can send messages to one another as texts, but it can also be used to make video calls. It is mainly intended for use as a means of communicating with friends and family. FACEBOOK provides a similar service for use by people who work together. It is called Workplace. Facebook provides software tools for developers to use to create products for the FACEBOOK website. It also provides an app called Facebook Audience Network which helps publishers create their own advertisements and gives them access to advertisers using the FACEBOOK website.

49. It appears that some of these products/services were available from at least as early as 2016/2018, i.e. Messenger and Facebook Audience Network, respectively. It is not clear when others were made available, and there is no specific evidence they were made available in the UK.

50. Mr Sousa provides evidence showing that Facebook is known to use artificial intelligence (“AI”) software. For example, there is an article from Engadget UK dated 20th June 2019 discussing Facebook’s use of AI to create disease prevention maps, and two others from the BBC website dated July 2019 noting that Facebook used AI to create a ‘superhuman poker champion’ and map 300k miles of previously unmapped roads in Thailand.¹⁰ Facebook also uses AI for its Facebook Analytics website. The evidence of Facebook providing AI software to others is thin. There is a copy of an article from VentureBeat dated May 2019 discussing Facebook making some of its AI software available as open source software for use by software

¹⁰ See exhibit PS10

developers.¹¹ However, VentureBeat appears to be a US website and there is no evidence as to the extent to which software developers have used Facebook's open source AI software, or whether such use occurred in the UK or EU. Therefore, I do not accept that the opponent has established that it had a reputation in the EU or UK at the relevant date for the provision of AI software to others.

51. In my view, the evidence establishes that earlier mark UK3329154 (FACEBOOK) had a reputation in the UK at the relevant date in relation to the following services in class 42:

Providing online sites that gives users the ability to upload, modify and share mixed reality content and data; Software as a service (SAAS) services featuring software for sending and receiving electronic messages, notifications and alerts and for facilitating electronic business transactions via the internet and communications networks; Application service provider (ASP) services, namely, hosting software applications of others.

52. The earlier mark has acquired a high degree of distinctiveness as a result of its use in relation to such services.

Comparison of marks

53. The marks at issue are **lossbook** and **FACEBOOK**. These are word marks. They may be used in upper or lower case letters. Consequently, no weight can be attached to the use of lower case letters in the applicant's mark and upper case letters in the opponent's mark.

54. In *Bimbo SA v OHIM* the CJEU explained 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

¹¹ See exhibit PS10

that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

55. The opponent submits that the marks are visually similar to a medium degree. This is because they end in the “*standalone*” word -BOOK. I do not accept that average consumers will perceive BOOK as a visually distinct (or “*standalone*”) element of either mark. On the contrary, both **lossbook** and **FACEBOOK** are clearly compound terms where ‘loss’ and ‘FACE’, respectively, appear to qualify ‘book’. I accept that ‘book’ will be recognised as a word within **lossbook** and **FACEBOOK**. However, as that word appears at the end of the marks it will tend to have less visual impact than the word that precedes it, i.e. loss/FACE.¹² Although they are both well-known four letter words, **loss-** and **FACE-** look very different. I therefore find that the respective marks are visually similar to only a low degree.

56. The opponent submits that the marks have the same pattern and structure and there is aural similarity at least to a medium degree. The sound of BOOK will be the same in both marks. Although the beginnings of the words FACE and LOSS sound entirely different (FAY- v LO-), the ending of FACE has a similar (SUH) sound to the ‘-SS-’ in lossbook. The main difference in sound is at the very start of the marks where it will make the most aural impact. Overall, I find that the marks are aurally similar to a medium degree.

57. The opponent submits that as LOSS is descriptive of the services covered by the application, and as both marks convey the concept of a book, they are conceptually similar to a high degree.

58. The applicant submits that ‘book’ is descriptive and the “*defining and operative*” part of FACEBOOK is FACE. FACE and loss have entirely different meanings. Therefore, the applicant says there is no conceptual similarity between the marks.

59. I accept that both marks convey the concept of a book. However, the concept conveyed by the applicant’s mark (when considered as a whole) is that of a book for recording losses, such as may be used in book keeping or accountancy. By contrast, the earlier mark conveys the idea of a book for faces, which seems fanciful.

¹² See, for example, the General Court’s judgment in *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

Therefore, the marks as wholes will convey different concepts to average consumers. Alternatively, only one of the marks (lossbook) has any clear concept. Either way, I find the common idea of a 'book' creates no more than a low degree of conceptual similarity between the marks.

Likelihood of confusion

60. Notwithstanding the high degree of distinctiveness of **FACEBOOK** for identical or highly similar services, I find there is no likelihood of direct confusion with **lossbook**. The visual and conceptual differences between the marks make this very unlikely, and the degree of aural similarity is not so great (or so important in the selection process) as to require a different conclusion. I would have reached the same conclusion even if I had accepted the opponent's argument that average consumers of the applicant's services will pay just an average degree of attention during the selection process (as opposed to the above average degree I found earlier). The opponent's case is not improved by considering the likelihood of confusion with FACEBOOK when that mark is used in relation to downloadable software in class 9. This is because these are goods and, therefore, less similar in nature to the services covered by the contested mark than the identical or highly similar services in class 42 that I have considered.

61. I understood the opponent's main argument in support of this part of its case to be based on indirect confusion. My attention was drawn to *L.A. Sugar Limited v By Back Beat Inc.*,¹³ in which Mr Iain Purvis Q.C. as the Appointed Person explained that:

"16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal

¹³ Case BL O/375/10

terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

17. *Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:*

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would 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).”

62. The opponent submits that **lossbook** is an entirely natural brand extension from **FACEBOOK**. I disagree. My reasons are:

(1) The distinctive character of FACEBOOK depends heavily on the interaction between FACE and BOOK;

(2) There is no evidence that FACEBOOK has ever used a variant or derivative -BOOK mark which does not include FACEBOOK as a whole;

(3) ‘loss’ in **lossbook** is not a natural substitute for ‘FACE’ because it conveys a composite meaning (a book for losses) which has no clear counterpart in FACEBOOK.

63. In *Liverpool Gin Distillery V Sazerac Brands*¹⁴ Arnold L.J. referred to the comments of Mr James Mellor QC sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] where he cautioned that “*a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion*”. Arnold L.J. concurred and pointed out that there must be a proper basis for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion. There is no proper basis here. I therefore reject the opponent’s case based on indirect confusion.

Outcome of section 5(2)(b) case based on UK3329154 (FACEBOOK)

64. The section 5(2)(b) ground of opposition fails.

The section 5(3) ground based on UK3329154 (FACEBOOK)

65. At the relevant date, section 5(3) was as follows:

“(3) *A trade mark which-*

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

66. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

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

¹⁴ [2021] EWCA Civ 1207

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

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

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

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

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

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

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

have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

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

Reputation

67. I have already accepted that the earlier mark had a reputation in the UK at the relevant date in relation to:

Class 42: Providing online sites that gives users the ability to upload, modify and share mixed reality content and data; Software as a service (SAAS) services featuring software for sending and receiving electronic messages, notifications and alerts and for facilitating electronic business transactions via the internet and communications networks; Application service provider (ASP) services, namely, hosting software applications of others.

68. The opponent's case under section 5(3) has from the outset been partly based on a claim that the earlier mark has a reputation for services in class 36. As noted earlier, the opponent made an application to add the registration of the earlier mark for *financial services* in class 36 to its section 5(2) case. It was suggested that this description covers insurance services, which the opponent claimed are the same or similar to the services covered by the application. I shall briefly consider whether this part of the opponent's section 5(3) case adds anything to the claim based on the reputation of the earlier mark for services in class 42. In my view, it does not. This is because, assuming that *financial services* covers insurance services, there is no

evidence that the earlier mark has a qualifying reputation in the UK for insurance services. The opponent's best case under section 5(3) is therefore again based on the reputation of the earlier mark for services in class 42.

Link

69. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

70. I found that the respective marks are visually and conceptually similar to a low degree and aurally similar to a medium degree.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

71. The services for which the earlier mark has a reputation appear to be highly similar to most of the services covered by the application. Admittedly, the application covers some services where the degree of similarity may be lower, e.g. *SaaS for neural networks*. However, for present purposes I will assume, without deciding, that all the services in class 42 are highly similar. The earlier mark has a reputation with the public at large and with businesses who trade on social media sites. There is no evidence that the earlier mark has a reputation for services for use in relation to the adjustment and analysis of insurance losses. The latter services are likely to be used by insurance professionals. Admittedly, insurance professionals are also members of the public, many of whom will use social media sites and related communication services. There is, therefore, a small degree of overlap between the respective users.

The strength of the earlier mark's reputation

72. The earlier mark has a strong reputation for the services in class 42 listed in paragraph 67 above.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

73. The earlier mark is highly distinctive for the services listed in paragraph 67 above.

Whether there is a likelihood of confusion

74. There is no likelihood of confusion.

Conclusion

75. Taking all relevant factors into account, I find that the relevant public will not make a link between the earlier mark and the contested mark, if the latter is used in relation to the services applied for.

Unfair advantage/Detriment

76. In the absence of the relevant public making a mental link between the marks, the opponent's claims of unfair advantage and/or detriment cannot succeed. Further, even if I am wrong about this and a significant section of the public were to make a link between the marks, I find it would be such a weak and fleeting connection that the contested mark would not benefit economically from it, and nor would it have any detrimental effect on the reputation or distinctive character of the earlier mark. In other words, there is no real risk that it would change the economic behaviour of consumers so far as the earlier mark is concerned.

Outcome of section 5(3) case based on UK3329154 (FACEBOOK)

77. The section 5(3) case also fails.

The section 5(2) and 5(3) cases based on earlier mark EU017918069 (FACEBOOK)

78. The opponent's EU registration covers the same mark I have already considered (i.e. FACEBOOK). The specification of the EU mark differs from that of the UK registration. However, I have already considered and rejected the case under section 5(2) based on notionally identical services. It follows that the section 5(2) case based on EU017918069 must also be rejected, for the same reasons.

79. I accept that FACEBOOK has a qualifying reputation in the EU for the services for which it also had a reputation in the UK. However, as the section 5(3) case based on EU017918069 ultimately turns on whether UK consumers will make a link between the marks, and I have found that they will not, the section 5(3) case based on that mark must also fail.

The section 5(2)(b) case based on earlier trade marks EU018075717 (BOOK) and EU018075708 (BOOK)

Comparison of goods/services

80. EU018075717 is registered for a very long list of services in class 42. Application EU018075708 also covers a very long list of goods in class 9. The opponent's pleaded case is that all the goods/services covered by these marks are identical or similar to the services covered by the application. The opponent's skeleton argument included an annex giving some examples of such identity/similarity. It was there submitted that:

“the Opponent’s services in class 42 are identical to the applied for services for design and development of computer hardware and software.”

“As another example, the Opponent’s services in class 42 are identical and/or highly related to the applied for computer and software services relating to creating, facilitating, and hosting virtual communities and social networking and related services.”

“Likewise, the Opponent’s class 42 services “scientific and technological services and research and design relating thereto; Industrial analysis and research services” are identical to the applied for “scientific and technological services and research and design relating thereto; industrial analysis and research services” in class 42.”

“The Opponent’s computer services in class 42 are also closely linked to and would rely on the applied for software services. For example, “computer services, namely, creating virtual communities for registered users to organize groups and events, participate in discussions, and engage in social, business and community networking” is similar to “Commissioned writing of computer programs, software and code for the creation of web pages on the Internet” because the creation of virtual communities involves writing of software and creation of internet pages.”

81. This is confusing and unhelpful because, so far as I can see, the application does not include any of the services I have underlined. The opponent provides a couple of other examples, which are potentially relevant to this opposition. These are:

“... all the Opponent’s class 42 services relating to computer software, ASP, PAAS, SAAS, software programming, design, creation, consultation, and development are identical and/or highly similar to the applied for services.”

“In addition, the Opponent’s “design of augmented reality and virtual reality effects for use in modifying photographs, images, videos and audio-visual content” is closely linked to and would be used in connection with the applied for service “platform as a service [PaaS] featuring software platforms for transmission of images, audio- visual content, video content and messages” as well as being clearly related to the various AI and deep learning software terms.”

82. The first point is a general one which I address below. Turning to the second point, I find that “*Design of augmented reality and virtual reality effects for use in modifying photographs, images, videos and audio-visual content*” in class 42 is a software design service. Therefore, it will be selected and used mainly by businesses wishing to obtain access to bespoke software services, or bespoke software, that enables them to offer a service or product to their customers for use in modifying photographs, images, videos and audio-visual content. By contrast, PAAS will usually be aimed at end users, in this case for use in “*adjustment and analysis of*

insurance losses.” Therefore, the services will not be in competition or complementary in the sense in which that word is used in the case law. In my view, these services are similar (at most) to only a low degree. In general, it is not appropriate for me to trawl through specifications of earlier marks to identify a better case than the opponent has managed to identify for itself. I have therefore looked to see (only) if there are any obviously identical/highly similar goods/services which bear out the first general point made by the opponent (set out in paragraph 81 above). Bearing in mind the unrestricted purpose of the goods/services covered by the earlier marks, I find there are some obvious points of identity/high similarity between the respective goods/services. These are shown in the table below.

| Services covered by contested mark | Goods/services covered by EU018075717 (BOOK/Class 42) and EU018075708 (BOOK/Class 9) |
|---|--|
| <p>Class 42: Software as a service; Software as a service [SAAS] services; Software as a service [SaaS]; Platform as a service [PaaS] featuring software platforms for transmission of images, audio-visual content, video content and messages; all of the aforesaid for use exclusively in relation to the adjustment and analysis of insurance losses.</p> | <p>Class 42: Software as a service (SAAS) services featuring software for sending and receiving electronic messages, notifications and alerts and for facilitating electronic business transactions via the internet and communications networks;</p> <p>Class 9: Software for modifying and enabling transmission of images, audio, audio visual and video content and data; Downloadable e-commerce computer software to allow users to perform electronic business transactions via a global computer and communication networks.</p> |

| | |
|--|--|
| <p>Class 42: Software as a service; Software as a service [SAAS] services; Software as a service [SaaS]; Software as a service [SaaS] featuring computer software platforms for artificial intelligence; Software as a service [SaaS] featuring software for deep learning; Software as a service [SaaS] featuring software for deep neural networks; Software as a service [SaaS] featuring software for machine learning; Software as a service [SaaS] services featuring software for machine learning, deep learning and deep neural networks; Platforms for artificial intelligence as software as a service [SaaS]; all of the aforesaid for use exclusively in relation to the adjustment and analysis of insurance losses.</p> | <p>Class 42: Application service provider (ASP) featuring software to enable or facilitate interaction and communication between humans and AI (artificial intelligence) platforms.</p> |
| <p>Class 42: Application service provider (ASP) services, namely, hosting computer software applications of others; all of the aforesaid for use exclusively in relation to the adjustment and analysis of insurance losses.</p> | <p>Class 9: Artificial intelligence software</p> <p>Class 42: Application service provider (ASP) services, namely, hosting software applications of others.</p> <p>Class 9: Downloadable e-commerce computer software to allow users to perform electronic business transactions via a global computer and communication networks.</p> |

Distinctive character of earlier marks

83. The applicant submits that BOOK is low in distinctive character and should therefore be given a narrow scope of protection.

84. The opponent disputes that BOOK is descriptive of, or otherwise non-distinctive for, the goods/services covered by the earlier marks.

85. I note the Oxford Dictionary defines BOOK as a noun meaning “*a written work published in printed or electronic form*” and “*a set of sheets of paper that are fastened together inside a cover and used for writing in*” such as an notebook. The word can also be used as a verb, e.g. to book a holiday. None of these meanings clearly describes characteristics of the goods/services covered by the earlier marks set out in the table following paragraph 82 above. The applicant has not explained how BOOK describes the goods/services covered by the earlier marks. Rather, the applicant contends that BOOK is non-distinctive because it is in common use.

86. As noted above, the applicant filed the results of searches of the internet conducted in June 2021 showing that 44 marks ending in – BOOK are registered in class 42 in the UK or EU and are in use. As well as the addresses of the websites in question, the applicant provided the first page of each of the sites.¹⁵ There are a number of difficulties with this evidence. The main ones are:

(1) The search results and webpages provided show the position almost a year after the relevant date.

(2) Only 7 of the websites found had .co.uk addresses and/or other information indicating that they were directed at least partly at the UK.

(3) The home pages from these sites show:

Innobook, which appears to be an international database of packaging designs;

MacBook, which appears to be an Apple laptop (i.e. hardware);

Chembook, which appears to be an online book about chemistry;

Cewe Photobook, which appears to be software for creating books of photographs;

¹⁵ See exhibit MB3

Izibook, which appears to be a software platform used by publishers to sell books online;

Vye Jolibook, which appears to be a laptop (i.e. hardware);

Chromebook, which appears to be a laptop (i.e. hardware);

Hdbook, which appears to be a web service of some kind for creating books of photographs.

87. These webpages do not show common use of 'book' in the UK in relation to the goods/services set out in paragraph 82 above. Specifically, they do not show common use of BOOK in relation to software (other than software for publishing books or making bookings, such as holidays).

88. There can be no doubt that BOOK is a very common word. However, it is well established that the distinctive character of a trade mark must be assessed specifically in relation to the goods/services for which it is registered. The applicant has shown that there are a number of other trade marks ending in -BOOK in use in the UK in relation to computer hardware, the marketing of books, or tools for use in making bookings. The only such mark shown to be in use in the UK (amongst other places) in relation to computer databases (which may or may not involve the use of non-downloadable software) is *Innobook*. This appears to be used in a different field of trade to either the opponent's actual business or the applicant's specified software services. The applicant appears to have focussed on the quantity of others using -BOOK marks at the expense of the quality of its evidence. It is possible that better targeted evidence could have revealed that BOOK is less distinctive than it appears at first sight in relation to the goods/services on which the opposition is based. However, I am limited to well-known facts that are within my own knowledge, and to the evidence provided.

89. I conclude that the applicant has not shown why BOOK should be regarded as low in distinctiveness in relation to the identical/highly similar goods/services on which the opposition is based. Consequently, and not without some hesitation, I conclude that

BOOK should be treated as having a 'normal' or average degree of distinctive character in relation to the goods/services set out in paragraph 82 above.

Comparison of marks

90. The respective trade marks are shown below:

| Earlier trade marks | Contested trade mark |
|---------------------|----------------------|
| BOOK | lossbook |

The opponent submits that the average consumer will visually break down lossbook into two words – LOSS and BOOK. The opponent also points out that lossbook includes BOOK. Therefore, the marks must be considered similar. The opponent submits that they are visually similar to a medium degree.

91. The applicant denies there is any material similarity between the marks. According to the applicant the “*defining and operative*” part of the contested mark is the word ‘loss’. I am not aware of any case law which uses or explains that description. I assume the applicant means that ‘loss’ is the dominant and distinctive element of the contested mark.

92. I do not accept that ‘loss’ is the dominant element of **lossbook**. I accept the opponent’s submission that **lossbook** will be recognised as consisting of loss and book conjoined. Both loss and book are relatively short 4 letter words. As ‘loss-’ appears at the beginning of the mark it will have a little more visual impact than -book to UK consumers reading from left to right. However, as the opponent points out, **lossbook** includes BOOK. There is, therefore, almost as much visual similarity between the marks as there is difference. I find that the marks are visually similar to low-to-medium degree. Much the same applies to the aural comparison. **lossbook** is comprised of two syllables, the second of which corresponds to the sound of the earlier marks.

93. Conceptually, BOOK could be seen as a noun meaning a written work published in printed or online form, a book into which things are written, or as a verb describing something one does, for example, booking a holiday. The concept conveyed by the contested mark (when considered as a whole) is that of a book for recording losses, such as may be used in book keeping or accountancy. The idea of a book is common to both marks, but the specific idea conveyed by the contested mark is absent from the earlier mark. In my view, the marks are conceptually similar to a medium degree.

Likelihood of confusion

94. I find the visual, aural and conceptual differences between the marks sufficient to rule out a likelihood of direct confusion amongst average consumers, even when the marks are used in relation to identical services.

95. The opponent's main argument appears to be based on a likelihood of indirect confusion. The opponent submits that BOOK retains an independent distinctive role in **lossbook**, partly because 'loss' is descriptive of services for use *exclusively in relation to the adjustment and analysis of insurance losses*.

96. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another*,¹⁶ Arnold J. (as he then was) considered the impact of the CJEU's judgment in *Bimbo* on the court's earlier judgment in *Medion v Thomson*. The judge said:

"18. The judgment in Bimbo confirms that the principle established in Medion v Thomson is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In Medion v Thomson and subsequent case law,

¹⁶ [2015] EWHC 1271 (Ch)

the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21. The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

97. As I noted earlier, ‘loss’ appears to qualify ‘book’ in the contested mark. **lossbook** therefore forms a unit with a meaning that is distinct from the individual meanings of ‘loss’ and ‘book’, i.e. a book for recording losses. I therefore reject the opponent’s submission that BOOK retains an independent distinctive role in **lossbook**.

98. However, as paragraph 21 of the judgment in *Whyte and Mackay* indicates, a finding that an element of one of the marks has (or does not have) an independent distinctive role in the other mark is not determinative of whether there is a likelihood of confusion. Whether or not *Medion* applies, the opponent submits that **lossbook** will be taken as indicating services from the same trade source as BOOK when the former is used in relation to services for “*..the adjustment and analysis of insurance losses.*” In this connection, I note the following example of indirect confusion from paragraph 17(b) of the *L.A. Sugar* 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.).”

99. It seems clear from the applicant’s revised specification that ‘loss’ will immediately be recognised by relevant average consumers of the services covered by the application as describing the intended purpose of the services and, therefore, as a prefix of low distinctive character. Consequently, and notwithstanding the composite meaning of **lossbook**, the average consumer is likely to perceive the suffix -book as contributing more to the distinctive character of the contested mark than loss-. Further, although it is well established that consumers tend to pay more attention to the beginnings of marks than the ends, this is not a strict rule¹⁷ and this tendency is likely to be less pronounced when the beginning of the mark appears descriptive.

100. In assessing the likelihood of confusion it is necessary to consider the earlier mark to have been used in relation to all the goods/services covered by the registered specification. In *Roger Maier and Another v ASOS*,¹⁸ Kitchen L.J. (as he then was) stated that:

“78.the court must.... consider a notional and fair use of that mark in relation to all of the goods or services in respect of which it is registered. Of course it may have become more distinctive as a result of the use which has been made of it. If so, that is a matter to be taken into account for, as the Court of Justice reiterated in Canon at paragraph [18], the more distinctive the earlier mark, the greater the risk of confusion. But it may not have been used at all, or it may only have been used in relation to some of the goods or services falling within the specification, and such use may have been on a small scale. In such a case the proprietor is still entitled to protection against the use of a similar sign in relation to similar goods if the use is such as to give rise to a likelihood of confusion.”

101. This means that I must entertain the possibility that the goods/services covered by the earlier marks as set out in paragraph 82 above may also be used for “..the

¹⁷ See, for example, *Bristol Global Co Ltd v EUIPO*, T-194/14, the General Court

¹⁸ [2015] EWCA Civ 220

adjustment and analysis of insurance losses.” In these circumstances, the addition of the descriptive prefix loss- is, in my view, unlikely to be sufficient to distinguish the trade source of the services provided under **lossbook** from goods/services provided under the opponent’s earlier **BOOK** trade marks. The same would apply if **BOOK** were to be used in relation to software or software services for related purposes, e.g. calculation of insurance premiums, whilst **lossbook** services were used for “*..the adjustment and analysis of insurance losses.*” In reaching this conclusion I have taken into account that average consumers of the services covered by the contested mark are likely to pay an above average degree of attention when selecting them. That heightened level of attention makes the likelihood of direct confusion between the marks at issue unlikely because direct confusion depends on people mistaking one mark for the other. A heightened level of attention may also make it less likely that consumers will jump to hasty conclusions about whether marks with a common feature signify a common trade source. However, it will not avoid indirect confusion where there is a readily apparent and logical basis (i.e. a “proper basis”) for average consumers to assume that different (albeit similar) marks are being used by the same undertaking in relation to the same or closely related goods/services. In my judgement, that would be the case in the circumstances described above.

102. I therefore find that there is a likelihood of indirect confusion between the contested mark and the earlier **BOOK** trade marks registered under EU018075717 and EU018075708, if those marks are registered, or remain registered, and protected in the UK in relation to the goods/services set out in paragraph 82 above. This finding applies to all the services covered by the application. This will also be the case if the earlier marks are registered, or remain registered, and protected in the UK for descriptions of goods/services which subsume, or overlap with, the descriptions set out in paragraph 82 above. It is not necessary or proportionate for me to conduct an exhaustive analysis of the lengthy specifications of the earlier **BOOK** trade marks to identify all such terms at this stage. However, that may be necessary later if the opposition/cancellation proceedings result in the removal of the terms listed in paragraph 82 above, but the retention of other terms covering the same sorts of goods/services. In that event, the parties will be given an opportunity to make submissions before any final decision is taken.

Overall outcome

103. The grounds of opposition based on the earlier FACEBOOK marks have failed.

104. The section 5(2)(b) grounds of opposition based on the earlier EUTMs for BOOK (i.e. EU018075708 and EU018075717) will succeed if one or both of those marks is, or remains, registered and protected in the UK in relation to the goods/services listed at the end of paragraph 82 above, or other terms covering the same sorts of goods/services.

105. This is a provisional decision. A final decision will be made once the final outcome of the opposition/cancellation proceedings at the EUIPO directed at either of EU018075708 or EU018075717 is known. These proceedings are suspended until such time.

106. The period for appeal will run from the date of my final decision.

Costs

107. Costs will be covered in the final decision when the full outcome of this opposition becomes clear.

Dated this 16th day of December 2021

Allan James
For the Registrar