BL O/0066/24

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NUMBER 3,684,694 IN THE NAME OF CHLOEDIGITAL LIMITED

AND IN THE MATTER OF AN OPPOSITION UNDER NUMBER 430,183 IN THE NAME OF CHLOE, SOCIÉTÉ PAR ACTIONS SIMPLIFIÉE

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF STEPHANIE WILSON (O/763/23) DATED 10 AUGUST 2023

DECISION

Introduction

1. This is an appeal from the decision of Ms Stephanie Wilson, for the Registrar, dated 10 August 2023 (O/763/23). Chloé SAS opposed the registration of Chloedigital Limited to register the trade mark CHLOÉDIGITAL (No 3,684,694).

2. Chloé SAS opposed the application based on three marks. This appeal is confined to one of those marks, namely CHLOE (No 801,544,207). This mark is registered in Classes 9 and 42. The opposition so far as it relates to this mark was successful in relation to some goods and services and not others. Chloedigital appeal the decision so far as the opposition was successful. The appeal is therefore confined to the Hearing Officer's rejection of the following services in Class 42:

> Computer security consultancy; computer software consultancy; computer software consultancy; computer system design; computer technology consultancy; computer virus protection services; rental of computer software; creating and designing website-based indexes of information for others; creating and maintaining websites for others; data security consultancy; development of computer platforms; information technology [IT] consultancy; information technology services provided on an outsourcing basis; providing information relating to computer technology and programming via a website; maintenance of computer software; platform as a service[PaaS]; software as a service [SaaS]; technological consultancy; all of the aforesaid services relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods.

3. Furthermore, the appeal is very narrow in that it is limited to the Hearing Officer's assessment of the similarity of these services in Class 42 to the goods in Class 9 and services in Class 42 covered by the CHLOE mark owned by Chloé SAS.

Standard of appeal

4. The standard of appeal is by way of review. Neither surprise at a Hearing Officer's conclusion nor a belief that he or she has reached the wrong decision will suffice to

justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The principles to be applied were summarised by Joanna Smith J in *Axogen Corporation v Aviv Scientific Ltd* [2022] EWHC 95 (Ch) at [24]. The decision of the Hearing Officer is wrong only if I am satisfied that the Hearing Officer's conclusion is outside the bounds within which reasonable disagreement is possible. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Similarity of the goods and services

5. The law for assessing the similarity of goods and services is well-established and was properly set out by the Hearing Officer, but I will set out a slightly fuller account below. The starting point is C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer* [1998] ECR I-5507 at [23]:

> In assessing the similarity of the goods or services concerned…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.

6. There is also guidance from Jacob J in *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 at 296-7:

> …I think the following factors must be relevant in considering whether there is or is not similarity:
>
> (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.

7. The inclusiveness principle was explained in T-133/05 *Gérard Meric v OHIM* [2006] ECR-II 2737 at [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… or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.

8. Furthermore, goods and services may complement each other and the Court of Justice has held that complementarity is "an autonomous criterion capable of being the sole basis for the existence of …similarity": C-50/15P *Hesse v OHIM*, EU:C:2016:34 at [23]. The concept was explained in T-325/06 *Boston Scientific v OHIM* [2008] ECR-II 174 at [82]:

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

9. I will have these rules in mind now that I turn to each of the services which are the subject of this appeal.

Consultancy, etc.

10. The Appellant challenges the Hearing Officer's finding that the first group of services relating to consultancy and providing information (in full: Computer software consultancy; computer software consultancy; computer technology consultancy; providing information relating to computer technology and programming via a website; technological consultancy relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods) are similar to a medium degree to "downloadable applications, especially on mobile telephones and/or tablets".

11. The Hearing Officer held that "downloadable applications" are a type of software and are not subject to limitation (Decision, [28]). As the words cover all types of application, the earlier mark covers downloadable software that enables influencers to build and maintain their online presence. An example of such downloadable software might be a social media application (similar to, say, Instagram).

12. The Appellant submits that not all software is downloadable and so there is in fact a limitation. However, no type of software was identified by the Appellant as not being downloadable. In any event, this is irrelevant because it ignores the inclusiveness principle. "Software consultancy" (subject to the limitation) covers consultancy about software which can be downloaded as well as software which cannot be downloaded.

13. As the other criticisms of the Hearing Officer's findings (that there would be different trade channels and users) follow on from the distinction between downloadable and other software, they fall away. Accordingly, the appeal so far as it relates to the first group of services is rejected.

Computers security etc.

14. The second group of services relate to computer and data security (or in full: computer security consultancy and data security consultancy relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods).

15. The Hearing Officer held that the second group of services were similar to a medium degree. She noted that downloadable applications would include applications aimed at protecting the device on which it is downloaded (Decision, [29]). I assume by this she means applications such as a virus checker or firewall. She goes on to find that the users

may overlap, that there is very limited competition between the goods as a mobile application is unlikely to fulfil the role of a consultant, but that there may be complementarity.

16. The Appellant submits the Hearing Officer was wrong because a mobile application is unlikely to fulfil the role of a consultant. This is true, but as this is exactly what the Hearing Officer found, it is not clear what is being challenged. In any event, this distancing between the goods and services was mitigated by the finding of complementarity. Influencers might seek advice on which applications to download to protect their data and to avoid viruses, or they may seek advice on the most appropriate privacy and other settings when using an application. This sort of advice might come from a security or data security consultant.

17. Therefore, the Appellant's challenge to the second group of services must also be dismissed.

Computer virus protection

18. There is a further and closely related service claimed, namely computer virus protection (more fully: computer virus protection relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods). The Hearing Officer found this service to be similar to a medium degree to downloadable applications (Decision, [37]). The Hearing Officer adopted her reasoning for the other computer security services. I do the same and I reject the appeal for this service for the same reasons as I did for the second group of services.

Rental, software as service etc

19. The third group of services relates to rental and cloud based applications (in full: rental of computer software; platform as a service [PaaS]; software as a service [SaaS] relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods).

20. In respect of these services, the Hearing Officer found as follows (Decision, [35]):

> All of these services could overlap with the opponent's "downloadable applications, especially on mobile telephones and/or tablets" which is not limited in purpose. There may also be an overlap in trade channels and user. I consider the goods and services to be in competition. Consequently, they are similar to between a medium and high degree.

21. The Appellant submits that "rental of computer software" requires a tangible item to be involved (eg a CD-ROM). I do not agree. A fair reading of "rental" in relation to software means that the user's access to it is time-limited (and so it can be contrasted with purchasing software). I see no reason why a downloadable application cannot be provided for a limited time only (e.g. it needs a subscription, and if this is not paid the software ceases to function). I therefore reject the appeal so far as it relates to this service.

22. The Appellant submits that software as a service and platform as a service cannot overlap with downloadable software. This is because "as a service" means the software/platform is being centrally hosted and not downloaded; and this remote hosting is the essential characteristic of "as a service products". I therefore agree with the Appellant that "software as a service" is not included in the phrase "downloadable software" and this case is stronger for "platform as a service".

23. Accordingly, the Hearing Officer's finding of strict overlap is erroneous. However, I do not think this error is material. I take this view because the Hearing Officer is clearly right that SaaS software (and PaaS) would be in competition with downloadable software. A user can elect to run their software locally (by download) or access it remotely in the cloud. In contrast to the Appellant's submissions, it is my view that the two products would be in competition as they are largely substitutable, and both can be sold through online trade channels. I therefore agree with the Hearing Officer's other findings that the users and trade channels are the same. And these findings are sufficient to support similarity to between a medium and high degree.

24. I therefore reject the appeal so far as it relates to the third group of services.

Computer maintenance

25. The next service is "maintenance of computer software… relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods".

26. The Hearing Officer found that there is overlap in trade channels between this service and downloadable applications. This finding was on the basis that the same business which provides the software is likely to be responsible for maintaining it (Decision, [38]). While the Appellant challenges this finding, I can see no basis for doing so. Any computer or mobile user will be familiar with updates and patches being downloaded routinely from the provider of the software. Making software less likely to crash and avoiding security threats (e.g. virus etc) by way of updates is clearly part of software maintenance. This is not affected by the fact that third parties may also provide assistance with software maintenance.

27. In light of this overlap of trade channels, the Hearing Officer's other findings in respect of this service, namely the goods and services have to same users, and the goods and service are complementary clearly follow. This is sufficient to support her finding the goods are similar to the maintenance of computer software to a medium degree.

28. I therefore reject the appeal so far as it relates to "maintenance of computer software" &c.

Computer design etc.

29. The final group of services is "computer system design; creating and designing website-based indexes of information for others; creating and maintaining websites for others; development of computer platforms;… all of the aforesaid services relating to the provision of technical support and digital strategy advice to influencers to enable them to build and maintain their online presence and none of the aforesaid relating to the creation of content for virtual and 3D goods."

30. In contrast to all the other services, the comparison by the Hearing Officer was between this group of services and "computer programming services, namely creating content for virtual and 3D goods" in Class 42 of Chloe SAS's mark. The inclusion of the word "namely" restricts the scope of the registration solely to the services specifically listed after the word: T-549/14 *Lidl Stiftung & Co v EUIPO*, EU:T:2016:594 at [71].

31. Before going further, it is important to note that the disclaimer in the Appellant's mark (so it does not relate to the "creation of content for virtual and 3D goods") and the limitation in the Respondent's mark (which mirrors these words) means that the services cannot be identical. But it does not prevent the services being similar to any degree. To take a simple example, "Fruit Juices other than Apple Juice" is still highly similar to "Apple Juice" even though the former does not include the latter.

32. The Hearing Officer considered the purpose of the Appellant's and Respondent's services to differ, and she thought there would be no overlap in trade channels. But she did find there would be overlap in the method of use (Decision, [33]). She concluded the services were therefore similar to a medium degree.

33. The Appellant submits the overlap in method of use is irrelevant and so reliance on this to establish similarity when the trade channels and purpose were different was a material error. This argument is clearly ill-founded as method of use is one of the factors which must be considered when determining whether the services are similar. It is therefore clearly a relevant factor. The Hearing Officer's finding that this was sufficient to make the services similar to a medium degree is one that it was open to her to make.

34. Accordingly, I reject the appeal so far as it relates to this final group of services.

Conclusion

35. I therefore reject the appeal in its entirety and uphold the Hearing Officer's decision.

36. The Respondent did not take part in the appeal and so I make no order as to costs.

PHILLIP JOHNSON
THE APPOINTED PERSON
29 January 2024

Representation

For the Appellant: Jens Rosenkvist (of Amagufa IP)

The Respondent did not take part in the appeal