BL O/0293/24

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARKS APPLICATION NOS UK00003776549 AND UK00003776551 IN THE NAME OF STRIPE, INC

AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS THERETO UNDER NOS 434936 AND 434937 BY SMARTCONTRACT CHAINLINK LIMITED

DECISION

Introduction

1. This is an appeal against the decision of Ms Teresa Perks, acting for the Registrar of Trade Marks dated 30 August 2023 (O-0823-23) in which she dismissed the oppositions in their entirety and made an order that SmartContract Chainlink Limited ("***the Opponent***") pay £1,500 to Stripe, Inc ("***the Applicant***").

2. The proceedings concerned two applications made on behalf of the Applicant on 12 April 2022. The marks applied for were:

   (1) UK00003776549 ("***the 549 mark***") for:

   LINK

   (2) UK00003776551 ("***the 551 mark***") for:

   

3. Registration of both marks was sought in relation to:

   > Class 42: Providing temporary use of non-downloadable software for securely storing, accessing, and managing payment data and account information for processing ecommerce transactions; Providing temporary use of non-downloadable software for managing and tracking electronic payment information; Providing temporary use of non-downloadable software to facilitate distribution, adoption, and acceptance of payment methods via a global network of consumers and merchants; Providing temporary use of non-downloadable software in the form of an application programming interface for integration of payment software into a global network of consumers and merchants

4. On 12 July 2022 the Opponent opposed each of the registrations on the basis of section 5(2)(b) of the Trade Marks Act 1994 ("***the 1994 Act***"). For that purpose the Opponent relied upon two registered trade marks.

(1) UK00003619592 ("***the first earlier mark***")

CHAINLINK LABS

Filing date: 31 March 2021; Registration date: 06 August 2021

Under this mark the Opponent relied on all of the goods and services for which the mark is registered, namely:

Class 9: Computer software, namely, downloadable middleware for use within a decentralized computer communications network which allows smart contracts in the nature of software that controls digital contracts to securely connect to external data sources.

Class 42: Computer services, namely services for developing middleware for use within a decentralized computer communications network which allows smart contracts in the nature of software that controls digital contracts to securely connect to external data sources and Software as a Service for use within a decentralized computer communications network which allows smart contracts in the nature of software that controls digital contracts to securely connect to external data sources.

(2) UK008013986421 ("***the second earlier mark***")

CHAINLINK

Filing date: 15 January 2018; Registration date: 28 September 2018 Priority date: 20 October 2017; Priority country: USA; TM from which priority is claimed: 87653484.

Under this mark the Opponent relies of all of the goods and services for which the mark is registered, namely:

Class 9: Computer software, namely, downloadable middleware for use within a decentralized computer communications network which allows smart contracts in the nature of software that controls digital contracts to securely, quickly, and auditably connect to external data sources in the nature of data feeds featuring user-defined information, application programming interfaces (APIs) and bank payment infrastructure.

Class 42: Computer services, namely, providing temporary use of online non-downloadable middleware for use within a decentralized computer

communications network which allows smart contracts in the nature of software that controls digital contracts to securely, quickly, and auditably connect to external data sources in the nature of data feeds featuring user-defined information, application programming interfaces (APIs) and bank payment infrastructure; software as a service (SaaS) services featuring computer software for use within a decentralized computer communications network which allows smart contracts in the nature of software that controls digital contracts to securely, quickly, and auditably connect to external data sources in the nature of data feeds featuring user-defined information, application programming interfaces (APIs) and bank payment infrastructure

5. The Applicant denied all the claims made by the Opponent in its Counterstatement.

6. Both parties filed evidence.

7. The Opponent was represented by Withers & Rogers LLP; and the Applicant by D Young & Co LLP. Neither party wished to be heard but filed submissions in lieu. The Hearing Officer made the decision on the papers before her save for those parts of the submissions in lieu that were regarded as being additional evidence for which no permission had been applied for.

8. In the Decision the Hearing Officer found in summary that:

(1) The Opponent could not rely upon the first earlier mark and therefore considered the oppositions on the basis of the second earlier mark only (paragraph [18] of the Decision).

(2) Identified the principles of law applicable to an assessment under section 5(2)(b) of the 1994 Act (paragraphs [19] to [21] of the Decision).

(3) In making the comparison of the services in the respective specifications found that the services were dissimilar (paragraph [47] of the Decision).

Although not necessary to do so given the finding of dissimilarity of services, the Hearing Officer nonetheless went on to consider the other elements of the test under section 5(2)(b) of the 1994 Act on the basis that there was a '*low degree*' of similarity and found *obiter* as follows:

(4) With respect to the average consumer found that the level of attention paid during the selection process of the services would be high; that visual considerations would dominate the selection process but that an aural component to such a process could not be discounted (paragraphs [53] and [54] of the Decision).

(5) In making the comparison of the marks in issue found the marks to be visually and aurally similar to a medium degree; and conceptually similar to a low degree (paragraphs [61] and [63] of the Decision).

(6) With respect to the inherent distinctive character of the second earlier mark that whilst the mark as a whole was distinctive to a medium degree, the distinctiveness of the singular components of the mark remained low (paragraph [67] of the Decision). That the shared component 'link' was in itself low in distinctiveness (paragraph [70] of the Decision).

(7) On the basis of the findings summarised in paragraph [70] of the Decision that there was no likelihood of either direct or indirect confusion (paragraphs [71] to [73] of the Decision).

On the basis of those findings the Hearing Officer found that the oppositions under section 5(2)(b) failed (paragraph [74] of the Decision).

The Appeal

9. On 27 September 2023 a Form TM55P was filed on behalf of the Opponent together with a 4 page document headed 'Statement of Grounds of Appeal'.

10. In summary it is contended on behalf of the Opponent that the Hearing Officer erred in her assessment of:

(1) The similarity between the goods and services in issue (finding (3) noted above) which was said to be plainly wrong; and

(2) The likelihood of confusion on the basis that had she found at least a low degree of similarity between the goods and services in issue she should have gone on to find that there was a likelihood of confusion for the purposes of section 5(2)(b) of the 1994 Act. That is to say that the Hearing Officer had erred in her finding noted at (7) above with respect of which it was said that she was plainly wrong.

11. What is not suggested on this appeal is that the Hearing Officer made any errors with respect to the findings noted at (1), (2) and (4) to (6) above.

12. It was also helpfully accepted at the hearing of the appeal that if the Opponent did not succeed on the first ground of appeal, then the second ground of appeal did not arise.

13. With respect to the position should the first ground the appeal be allowed, it was maintained for the first time at the hearing of the appeal that the Hearing Officer should have found that the services were either highly similar or of medium similarity and on that basis the Hearing Officer should have gone on to find that there was a likelihood of confusion. However, it was accepted at the hearing of the appeal that should the assessment of likelihood of confusion proceed on the basis that the Hearing Officer did i.e. an assumption of a '*low similarity*' between the services in issues then the Hearing Officer had not made any error in her analysis.

14. No Respondent's Notice or cross- appeal was filed.

15. At the hearing of the appeal which took place by video link the Opponent was represented by Mr Mark Caddle of Withers & Rogers LLP and Mr Jamie Muir Wood instructed by D Young & Co LLP appeared for the Applicant. Both representatives filed skeletons of argument.

The Standard of Review

16. At the hearing before me there was no dispute as to the standard of review that was primarily identified by both parties from the summary set out in Stich Editing Ltd v. TikTok Information Technologies Ltd [2013] EWHC 1167 (Ch).

17. However, most recently the Court of Appeal has addressed the point in Lidl Great Britain Ltd v. Tesco Stores Ltd [2024] EWVA Civ 262 at [110] where Arnold LJ stated the position to be as follows:

> The test on appeal
>
> 110. It is common ground that, in so far as the appeals challenge findings of fact made by the judge, this Court is only entitled to intervene if those findings are rationally insupportable: *Volpi v Volpi* [2022] EWCA Civ 464, [2022] 4 WLR 48 at [2] (v) (Lewison LJ). Equally, it is common ground that, in so far as the appeals challenge multi-factorial evaluations by the judge, this Court is only entitled to intervene if the judge erred in law or principle: compare *Magmatic Ltd v PMS International Group plc* [2016] UKSC 12, [2016] Bus LR 371 at [24] (Lord Neuberger of Abbotsbury) and *Actavis Group PTC EHF v ICOS Corp* [2019] UKSC 15, [2019] Bus LR 1318 at [78]- [81] (Lord Hodge) , and see *Re Sprintroom Ltd* [2019] EWCA Civ 932, [2019] BCC 1031 at [72]-[78] (McCombe, Leggatt and Rose LJJ) , which was cited with approval by the Supreme Court in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8 at [49] (Lord Briggs and Lord Kitchin) .

18. See further the in the Supreme Court in Lifestyle Equities CV. Amazon UK Services Ltd [2024] UKSC 8 referred to by the Court of Appeal which likewise reaffirmed the approach to appeals of the kind at [46] to [50].

19. I have kept these principles in mind when considering the present appeal.

Decision

20. As noted above the crux of this appeal is the finding of dissimilarity. As noted above it is not suggested by the Opponent that the Hearing Officer had failed to identify the correct legal principles to be applied to the assessment of similarity between goods and/or services.

21. Moreover, it was no part of the appeal before me that the Hearing Officer was wrong to take the approach that she did, as noted in paragraph 7 above, to disregard those parts of the submissions in lieu that were regarded as being additional evidence for which no permission had been applied for.

22. It was also rightly accepted by the Opponent at the hearing before me that for the purposes of making the comparison it is the wording of the respective specifications that is relevant and not what the parties may or may not do in the course of their actual commercial activities. That is the approach that the Hearing Officer took to her analysis as set out in paragraph [39] of the Decision as follows:

> 39. I bear in mind that I am required to carry out the comparison of goods and services based on the terms as they appear in the marks' specifications. Whilst the segments of the market on which the parties have so far chose (sic) to trade is irrelevant, given that the nature of the goods and services involved, which are highly sophisticated, I will consider the evidence filed by the opponent as an aid to the interpretation of the registered terms, but only insofar as it seems to be naturally consistent with the terms for which the earlier trade mark is registered.

23. What, in summary, is maintained on this appeal is that:

(1) The Hearing Officer did not take into account evidence of actual use of the Opponent to demonstrate how both the respective marks were '*used within the financial sector, and in particular in relation to assets – whether they be traditional, like money, or digital like crypto currency*'.

(2) Although the Hearing Officer included extracts of the Opponent's evidence in her decision such evidence was overlooked and instead the Hearing Officer relied upon her own research and in doing so her interpretation at paragraph [38] of the Decision fell short of the full definition and interpretation of the Opponent's services. I should note at this juncture that it does not appear that the Opponent takes issue on this appeal as to the Hearing Officer's approach to the definition of the Applicant's services specified in the applications set out in paragraph [42] of the Decision.

(3) Had the correct approach to the construction of the specification been taken the Hearing Officer should have found that the services were similar on the basis that (i) the services had shared nature, purpose and end users; and (ii) the services were in competition with each other. At the hearing of the appeal it was also suggested that the services could be regarded as complementary to one another.

24. With respect to the first point made with respect to actual use. First, as rightly accepted on behalf of the Opponent the issue to be determined by the Hearing Officer namely the similarity of services is to be done by reference to the specifications in issue.

25. Second, that is expressly the approach that the Hearing Officer stated was going to be adopted (paragraph [39] of the Decision as set out above).

26. Third, the reference to the '*financial sector*' is not something that is to be found within the specifications.

27. Fourth, the goods and services within the specifications were described by the Hearing Officer as '*highly sophisticated*' (paragraphs [30] and [39] of the Decision).

28. Fifth, whilst it is maintained that it did not provide a full definition it was not said that the description of the Opponent's services as providing a '*platform/network/bridge that connect smart contracts within blockchain networks with external data sources*' (paragraph [44] of the Decision) was incorrect.

29. Sixth, the Hearing Officer went on to recognise that at its highest '*that by allowing blockchain-based smart contracts to connect with external bank payment infrastructures, the opponent's software effectively allows the transfers of funds*' before going on to note that that was not the purpose of the Opponent's services being '*a secure channel through which information and data relating to smart contracts can travel from a block chain network to external sources, including bank infrastructures – which can then process the information and implement the transaction*' (paragraph [47] of the Decision).

30. With respect to the second point above and the suggestion that the Hearing Officer overlooked certain parts of the evidence that had been filed and instead relied upon her own research. First, it is correct that the Hearing Officer gave an assessment of the evidence at a '*general level*' in paragraph [38] of the Decision.

31. Second, it was open to the Hearing Officer to consult dictionaries as a part of the decision making process (see for example the judgment of the General Court in Case T-222/09 Ineos Healthcare v. OHIM at paragraph [29] and the case law cited therein). Further in that connection it does not seem to be the Opponent's position that the Hearing Officer was precluded from doing this as a matter of principle.

32. Third, the Hearing Officer made clear that the decision was taken '*following a careful perusal of the papers*' (paragraph [11] of the Decision); and the particular evidence which it is said the Hearing Officer overlooked is specifically set out in paragraph [33] of the Decision.

33. Fourth, in paragraph [47] of the Decision the Hearing Officer expressly makes clear that both the dictionary references and the evidence have been taken into account in reaching her conclusions.

34. Turning to the third point, that the Hearing Officer should have found that the services were similar on the basis that (i) the services had shared nature, purpose and end users; and (ii) the services were in competition with each other or that such services were complementary.

35. On this issue the Opponent sought in particular to rely upon the finding in paragraph [52] of the Decision that:

> The average consumer of the opponent's software services is a business user that operates in the blockchain industry. The applicant's services might target any business seeking payment-related services, including businesses in the blockchain industry.

36. It was rightly accepted by the Applicant at the hearing of the appeal that payment-related services are used by any industry including the blockchain industry. However it was maintained that the Hearing Officer was right to conclude that such a finding did not make such services similar to those supplied by the Opponent. In particular it was said that the fact that payment-related services may be utilised by those in the blockchain industry does not make the services similar to '*data feed*' services being used by the blockchain industry; nor could such services be regarded as being in competition.

37. Despite the Hearing Officer views on similarity she went on to consider the position should the services be found to have a low level of similarity. At the hearing of the appeal the Opponent put forward a case with respect to whether the services should be regarded as complementary and therefore 'similar'. In response the Applicant maintained that whilst a data feed might facilitate payment-related services they were not the same thing; alternatively that even if they were to be regarded as '*loosely complementary*' that would only '*entitle the Hearing Officer to have reached a conclusion of a low degree of similarity*' and on the basis of the Hearing Officer's *obiter* findings on that issue the appeal should nonetheless be dismissed.

38. In answer on appeal, the Opponent maintained that it was entirely foreseeable that the data feed information provision in the specification given the reference to bank payment infrastructure '*could be in the sphere of processing e-commerce transactions*' such that there was a '*slightly more direct applicability*' of the software services of the Opponent and the software services of the Applicant.

39. It seems to me that against this background that if the points raised by the Opponent were to be considered afresh by me then as stated by Geoffrey Hobbs QC sitting as the Appointed Person in NICO LONDON Trade Mark (O-338-20) at paragraph [36]:

> . . . the Decision would end up being re-taken by this Tribunal under the guise of reviewing it for error. However, it is necessary in order to maintain the required distance between the role of decision taker at first instance and the role of decision taker on appeal for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the Opponent relies are by force of what they reveal sufficient to establish that the Decision is vitiated by error.

40. I have reviewed the Decision in the light of all of the alternatives put forward by the Opponent. Having done so I am satisfied that none of the points relied upon reveal any errors on the part of the Hearing Officer which taken either individually or together establish that the conclusion she reached is one that is vitiated by error. Rather the conclusion that the Hearing Officer reached is one that it seems to me that it was open to her.

41. Moreover, even were I to consider that the Hearing Officer should have found that there was similarity between the services in issue it seems to me that on the basis of the unchallenged findings that the Hearing Officer made together with the arguments

before me by the parties that, the Applicant is correct, that any finding of similarity should be no more than low similarity. In those circumstances given the *obiter* findings of the Hearing Officer on her assessment under section 5(2)(b) of the 1994 Act, with respect to which there is no challenge, the appeal against the Decision would likewise be dismissed.

Conclusion

42. For the reasons set out above it does not seem to me that the Opponent has identified any error of principle or material error in the Hearing Officer's Decision. Moreover, it is not in my view appropriate to interfere with the evaluations that the Hearing Officer made in reaching the decision that she did. In the result the appeal fails and is dismissed.

43. Since the appeal has been dismissed the Applicant is entitled to a contribution towards its costs. I will therefore make an order that the Opponent pay to the Applicant a contribution of £1000 towards its costs of the appeal.

44. The Hearing Officer ordered a contribution of £1,500 to be paid by the Opponent to the Applicant with respect to its costs at first instance.

45. In those circumstances I order SmartContract Chainlink Limited to pay to Stripe LLC a total of £2,500 on or before 4 pm on Wednesday 24 April 2024.

Emma Himsworth KC
Appointed Person
3 April 2024