BL O/0353/24

IN THE MATTER OF THE TRADE MARKS ACT 1994

AND IN THE MATTER OF
UK TRADE MARK APPLICATION NO. 3673517
IN THE NAME OF MARK KINGSLEY-WILLIAMS

FOR THE TRADE MARK

BRANDVAULT

In classes 38 and 45

AND IN THE MATTER OF OPPOSITION THERETO BY
VAULT IP LIMITED

Under No. 430507

ON APPEAL FROM THE DECISION OF JAMES HOPKINS ON BEHALF OF THE REGISTRAR OF TRADE MARKS DATED 12 APRIL 2023

DECISION OF THE APPOINTED PERSON

1. This is an Appeal from a decision of Mr James Hopkins, Hearing Officer in an Opposition brought by Vault IP Limited ('the Opponent') against the Trade Mark Application 3673517 ('the Application') made by Mr Mark Kingsley-Williams ('the Applicant') for the trade mark

   BRANDVAULT

   for a variety of services in classes 38 and 45.

2. The class 38 services are

   providing access to and leasing access time to computer databases concerning intellectual property matters.

   The class 45 services are

   legal services relating to trade marks and intellectual property

   together with various other services all of which relate to the provision of legal advice and consultancy concerning the protection and enforcement of trade marks and intellectual property. I need not set them all out.

3. The basis of the Opposition is the Opponent's UK registered trade mark number 3390782 ('the earlier mark') for a series of two marks:

   VAULT IP

   and

   VAULT INTELLECTUAL PROPERTY

   in classes 16, 41 and 45. The class 45 services are very similar to the class 45 services which were the subject of the Application. It is not necessary for the purposes of this Appeal to set them out here.

4. The Opposition is founded on s5(2)(b) of the Trade Marks Act 1994. Evidence was filed by the Applicant but not the Opponent. Neither party requested a hearing on that occasion so the Hearing Officer decided the matter on the papers. Before me, the Opponent was represented by Counsel (Mr Thomas St Quintin) and the Applicant represented himself.

5. The Hearing Officer rejected the Opposition insofar as it concerned the services in class 38 (providing access to computer databases etc.) on the

basis that the services for which the Opponent's mark was registered were not 'similar' to those services. The Opponent does not appeal against this.

6. The Hearing Officer upheld the Opposition insofar as it concerned the services in class 45. The Applicant appeals against that decision.

7. The building blocks of the Hearing Officer's reasoning may be summarised below:

   (a) The services for which the Earlier Mark was registered were essentially identical to those for which the Application was made.

   (b) The average consumer of those services is more likely to be a business than an individual. The selection of the services would be a matter of importance for the business, and therefore careful thought would be expected to be given. A medium to high level of attention would therefore be paid during the purchasing process.

   (c) The exposure to the mark during the purchasing process would be predominantly visual (experienced through websites or printed material), but aural considerations could not be excluded entirely.

   (d) VAULT IP and VAULT INTELLECTUAL PROPERTY have a 'medium level' of inherent distinctive character. This character lies predominantly in the word VAULT being *'a room (particularly in a bank) with thick walls and a strong door, used to safely store money or other valuables.'* The words IP and INTELLECTUAL PROPERTY are essentially descriptive of the services being provided and therefore added very little.

   (e) The overall impression made on the average consumer by the mark BRANDVAULT is that of two words, BRAND and VAULT, each contributing equally. They are both well-known ordinary English words.

(f) Comparing the marks, there was a low, or low-medium degree of similarity from a visual and aural perspective.

(g) Conceptually, the marks were similar *'to between a medium and high degree'* in that they both contained the concept of a 'vault' and *'convey meanings associated with matter used to distinguish an undertaking's goods or services.'*

8. Turning to the likelihood of confusion, the Hearing Officer first considered the question of whether there was a risk of 'direct confusion' between the marks. He pointed out that there were plenty of differences between the marks which an average consumer paying a medium-high level of attention would notice. In particular:

(a) The word which the marks have in common (VAULT) appears in different positions in the marks, resulting in their beginnings being entirely different

(b) The Application contains the word BRAND which has no counterpart in the earlier mark, whereas the earlier mark contains the words IP or INTELLECTUAL PROPERTY. Although these elements play lesser roles in the overall impression of the earlier mark than the word VAULT, they are not negligible and would not be overlooked by the average consumer.

(c) The marks are of noticeably different lengths (whichever earlier mark in the series is considered).

9. For these reasons the Hearing Officer concluded that there was no risk of direct confusion between the marks, even bearing in mind 'imperfect recollection' and the 'interdependency principle' (ie the fact that the services are identical).

10. He then turned to ask whether there was nonetheless a likelihood of 'indirect confusion', citing my oft-cited decision in L.A. Sugar Limited v By Back Beat Inc. BL O/375/10 in which I explained the conceptual

difference between direct and indirect confusion. I first noted that indirect confusion required a recognition that the marks were not the same and a mental process of some kind (conscious or sub-conscious) 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.'

I then listed three (non-exclusive) categories of case, intended to be illustrative of where the average consumer might reasonably reach such a conclusion. The Hearing Officer noted certain later jurisprudence which has confirmed my approach, and the importance of there being a 'proper basis' for a finding of indirect confusion.

11. Turning to the facts of the present case, he remarked in [50] that

'the difference created by the replacing of the letters 'IP' or the words 'INTELLECTUAL PROPERTY' with the word 'BRAND' readily lends itself to a sub-brand or brand extension ie the contested mark is likely to be perceived as an alternate brand of the earlier mark using a different term to inform consumers as to the legal focus of the services'.

He recognised the reversal in the order of the elements of the mark but considered that this is not a difference which *'precludes the marks being seen in this way'.* He concluded in the same paragraph:

'the common presence of the distinctive and dominant element word VAULT combined with strongly allusive, or descriptive, references to characteristics of the services, will result in the average consumer believing there is an economic connection between the parties…I am satisfied that the average consumer – even paying between a medium and high level of attention – would assume a commercial association between the parties due to the presence of the identical word VAULT.'

12. The Applicant contended before me that there was no real risk of confusion of this kind. The average consumer here is a business person applying a high level of care and attention. The two marks may have a word in common but they are constructed in very different ways and there would be no logical reason to think that the owner of 'VAULT INTELLECTUAL PROPERTY had decided to adopt 'BRANDVAULT' as a sub-brand. On the contrary, it would be a most unlikely thing to do. He therefore said that the decision of the Hearing Officer was plainly wrong and should be reversed.

13. Mr St Quintin on the other hand stressed the high degree of respect which should be given to the decision of a Hearing Officer on a matter requiring the broad evaluation of multiple factors, such as a finding of likelihood of confusion. He cited my own decision in <u>Rochester O-049-17</u> in which I reviewed the case law on the appellate function in cases of this kind and in which I concluded that

    'in the absence of a distinct and material error of principle, I ought not to interfere with the decision of the Hearing Officer unless I consider that his view on the issue of likelihood of confusion was clearly wrong in the sense that it was outside the range of views which could have been reasonably taken on the established facts.'

    Mr St Quintin noted that the Hearing Officer had properly instructed himself on the law and the facts of the case and had considered all relevant factors before reaching his decision. In the circumstances he contended that there was no proper basis for me to interfere with the decision.

14. I have considered these submissions carefully. However, in my view the Hearing Officer was wrong and his decision was not within the range of views which could reasonably have been taken on the established facts.

15. The Hearing Officer rightly pointed out in [49] of his Decision, citing James Mellor QC sitting as the Appointed Person in <u>Duebros Limited v</u>

Heirier Cenovis GmbH O-547-17, that the mere fact that a mark may call another mark to mind is not enough in itself for a finding of likelihood of indirect confusion. This would be mere association. To support an objection of indirect confusion the average consumer must go beyond this and actually believe that one mark is a brand extension of another. I would add that 'belief' in a connection is something more than mere idle wondering or speculation that there might be a connection.

16. In the present case, I do not accept that an average business person who is *'reasonably circumspect'* (a key characteristic of the 'average consumer') could sensibly arrive at the conclusion that there was a commercial connection between the proprietors of these trade marks. I say this for the following reasons:

   (a) VAULT INTELLECTUAL PROPERTY and VAULT IP have a clear and commonplace structure in which the brand name VAULT comes first and is followed by a separate word or words providing purely descriptive information about the nature of the services being offered. In L.A. Sugar one of the categories of indirect confusion which I identified was where *'the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension'.* A logical and consistent brand extension in the present case would be something like VAULT COPYRIGHT or VAULT REAL PROPERTY. Putting the descriptor first and running the words together is neither logical nor consistent with a brand extension.

   (b) This is not a case of the first category I gave in *L.A. Sugar* namely one 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.'* The common element here is not a made-up word and there is no case of acquired distinctiveness. Rather it is a fairly common English word which the average consumer would not be

surprised to find appearing in trade marks which had no commercial connection with each other.

(c) The words INTELLECTUAL PROPERTY/IP and BRAND are not in fact (as the Hearing Officer suggested) interchangeable. Nor do I think that they would be seen by the average business person as different types of the same thing. Intellectual property is an area of law, whereas a brand is a name or get up having public recognition. A brand may or may not be protected by some form of intellectual property, but there is an obvious conceptual difference between the potential subject of legal protection and the legal protection itself. This may seem a somewhat semantic point, but it makes the idea of a brand extension in this case less logical.

(d) The different position of the word VAULT makes a substantial difference to the conceptual impact of the marks, and this in itself makes the idea of a brand extension far less likely. In VAULT INTELLECTUAL PROPERTY, the word VAULT independently provides the distinctive character of the mark. As a matter of English, the word has a number of usages: jumping or leaping ahead, an architectural feature, a strong room, or even a surname. There is no reason from the mark itself to think that any particular one of these ideas is intended to be conveyed.[1] In BRANDVAULT however, the word VAULT is subsidiary to the word BRAND and the combination read together do project a distinct concept (a metaphorical 'vault' or place of protection for brands). I disagree with the Hearing Officer's remark in [42] of his Decision that this concept is not one which would be capable of immediate grasp by the relevant consumer.

(e) Related to the previous point, it may be noted that the reasoning of the Hearing Officer relied in [50] on *'the common presence of the distinctive and dominant element word VAULT'.* But of course, as he himself had found at [39], whilst the word VAULT is the distinctive

[1] The Hearing Officer appears to have assumed (see paragraph [32] of the Decision) that the word only had the 'strong room' meaning, but this is obviously not the case.

and dominant element of the earlier mark, it is not the distinctive and dominant element of the mark applied for. In BRANDVAULT the two words are roughly equal and work together in terms of the overall impression. This again is inconsistent with a brand extension in which one would expect an element which was dominant and distinctive element in the original mark to remain dominant and distinctive in the extension.

17. Despite the wide degree of latitude and respect which should be given to evaluations of likelihood of confusion, I therefore consider that this is an appropriate case in which to overturn the decision of the Hearing Officer.

18. I therefore direct that the Opposition be dismissed and that the mark proceed to grant in respect of all the services which were the subject of the application in classes 38 and 45.

IAIN PURVIS KC
16 April 2024