BL O/0414/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. WO1611681
BY MIDEA GROUP CO., LTD. (Holder/Respondent)
TO REGISTER THE TRADE MARK

AND

IN THE MATTER OF
OPPOSITION NO. NO. 433034
BY ARDUTCH B.V. (Opponent/Appellant)

AND

IN THE MATTER OF
AN APPEAL TO THE APPOINTED PERSON
AGAINST DECISION NO. O/0562/23
OF L. NICHOLAS DATED 16 JUNE 2023

The Holder/Respondent was represented by MR. SEAN MCDONAGH of HGF

The Opponent/Appellant was represented by MR. ROWLAND BUEHRLEN (of Beck Greener LLP)

Hearing date: 7 December 2023

DECISION

Introduction

1) This is an appeal against decision BL O/0562/23 of L. Nicholas, sitting as a Hearing Officer on behalf of the Registrar of Trade Marks, dated 16 June 2023. By that decision the Hearing Officer rejected Opposition No. 433034 to the registration of application No. WO1611681 

for the following goods:

Class 7: Beaters, electric; food preparation machines, electromechanical; kneading machines; electric juicers; dishwashers; kitchen machines, electric; food processors, electric; coffee grinders, other than hand-operated; washing machines [laundry]; dry-cleaning machines; wringing machines for laundry; stacking machines; conveyors [machines]; industrial robots; handling machines, automatic [manipulators]; dynamos; compressors [machines]; vacuum cleaners; machines and apparatus for cleaning, electric; rechargeable sweepers; steam mops; cleaning appliances utilizing steam; dust removing installations for cleaning purposes; garbage disposal units.

Class 11: Refrigerating appliances and installations; refrigerators; air conditioners; air-conditioning installations; bath fittings; lamps; cooking utensils, electric; fireplaces; disinfectant apparatus; fans [air-conditioning]; air purifying apparatus and machines; dehumidifiers for household purposes; humidifiers; hair dryers; fabric steamers; laundry dryers, electric; drying apparatus and installations; extractor hoods for kitchens; heat pumps; heating installations; lighting apparatus and installations; kettles, electric; microwave ovens [cooking apparatus]; pressure cookers, electric; coffee machines, electric; bread-making machines; multicookers; cooking apparatus and installations; heating and cooling apparatus for dispensing hot and cold beverages; electric rice cookers; induction cookers; electric ovens for household purposes; electric ranges; gas ranges; cooling appliances and installations; wine cellars, electric; bath installations; heaters for baths; sanitary apparatus and installations; water dispensers; water purifying apparatus and machines; water filtering apparatus; disinfectant apparatus in the form of cupboards; radiators, electric.

2) The opposition was based on section 5 (2) (of the Trade Marks Act 1994 ("the Act"). The Earlier Mark relied upon was:

No. UK00902921211 ARCTIC
Filing date: 17 September 2019
Registration date: 6 December 2019
Class 7: Machines and machine tools; washing machines and compressors for washing machines; machines for drying and airing clothes; tumble dryers; dishwashers; machines for the preparation of food and beverages; electric kitchen machines; electric can openers; electric knives and sharpeners; machines for cleaning and washing carpets and upholstery; electric polishing machines for household purposes; vacuum cleaners; sewing, embroidering and knitting machines; ironing machines; waste disposal machines; parts and fittings for all the aforesaid goods; electrical hair trimmers/clippers.

Class 11: Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, water supply and sanitary purposes; gas and/or electric cookers; cookers; electric kettles; cooling and freezing appliances and containers; refrigerators; freezers; electric apparatus for making beverages; installations, apparatus, appliances and utensils all for cooking; stoves, ovens, microwave ovens, toasters and griddles; barbecues and grills; hair dryers; electric hair dryers; water heating installations and apparatus; lamps; apparatus for drying and airing clothes; tumble dryers; parts and fittings for all the aforesaid goods; portable steamers for fabrics; but not including pipe freezing apparatus or electronic apparatus for use in freezing pipes; cooker hoods; freezers and refrigerators.

3) The Holder admitted the similarity of goods. It asserted that the marks were visually and phonetically similar to a low degree only, and that the marks were conceptually dissimilar. It put the Opponent to proof of genuine use of the Opponent's earlier registered mark as it was entitled to do under S. 6A of the Act.

4) The Opponent filed evidence. Neither party requested a hearing. The Holder filed separate written submissions in lieu. The Hearing Officer proceeded to decide the case on the basis of the Opponent's evidence and the pleadings before them.

The Hearing Officer's Decision

5) Given that, as shall be seen, the scope of the appeal is quite limited, it will suffice to summarise the Hearing Officer's decision for the most part.

Genuine Use of the Opponent's Earlier Mark

6) As for the requirement for the Opponent to show genuine use of its earlier mark, having reviewed the evidence the Hearing Officer determined at [46] that a fair specification was:

Class 7: Washing machines; tumble dryers; dishwashers.

Class 11: Gas and/or electric cookers; cookers; refrigerators; freezers; stoves; ovens; tumble dryers; cooker hoods; freezers and refrigerators.

S. 5 (2) (b)

7) The Hearing Officer properly reminded themselves of the relevant legal tests for the comparison of marks and goods at [47-52], [79-80], [83-84] and 91. They then determined as follows.

8) The following goods of the Contested Mark were identical/similar to those of the Earlier Mark:

Class 7: Beaters, electric; food preparation machines, electromechanical; kneading machines; electric juicers; dishwashers; kitchen machines, electric; food processors, electric; coffee grinders, other than hand-operated; washing machines [laundry]; dry-cleaning machines; wringing machines for laundry; vacuum cleaners; machines and apparatus for cleaning, electric; rechargeable sweepers; steam mops; cleaning appliances utilizing steam.

Class 11: Refrigerating appliances and installations; refrigerators; cooking utensils, electric; fabric steamers; laundry dryers, electric; drying apparatus and installations; extractor hoods for kitchens; kettles, electric; microwave ovens [cooking apparatus]; pressure cookers, electric; coffee machines, electric; bread-making machines; multicookers; cooking apparatus and installations; heating and cooling apparatus for dispensing hot and cold beverages; electric rice cookers; induction cookers; electric ovens for household purposes; electric ranges; gas ranges; cooling appliances and installations; wine cellars, electric [78].

9) The remaining goods were dissimilar and the opposition failed against those [77].

10) The average consumer was the general public with a potential for professional/corporate purchasers paying a medium degree of attention, selecting by mostly visual but some aural means [81-82].

11) The overall impression of the Earlier Mark was simply the word “ARCTIC” [86].

12) The overall impression of the Contested Mark lay in the combination of the two-word elements, with them being co-dominant, the device element playing a smaller role [87].

13) The marks were:
    a) Visually similar to no more than a medium degree [88].
    b) Phonetically similar to a medium degree [89].
    c) Conceptually similar to a low-medium degree [90].

14) The inherent distinctive character of the Earlier Mark was medium and had not been enhanced through use [94-95].

15) Turning to the likelihood of confusion, the Hearing Officer set out the tests for direct/indirect confusion at [96] and summed up her prior findings at [97].

16) As to direct confusion the Hearing Officer concluded at [100] that the conceptual/visual differences negated that possibility.

17) As to indirect confusion, the Hearing Officer reached the same finding for essentially the same reasons. [102-107].

18) The opposition therefore failed in its entirety.

The Appeal and Respondent's Notice

19) The Opponent filed an appeal on 14 July 2023. The Grounds were essentially that the Hearing Officer:
    a) Erred in their findings that the marks were conceptually similar to only a low to medium degree. Since both marks contained the conceptually identical word ARCTIC the correct finding would have been "medium to high".
    b) Erred by failing to properly the principle of interdependency as regards identical goods when assessing the likelihood of confusion.
    c) Erred in requiring that for a likelihood of indirect confusion to exist the earlier mark must have a "strikingly distinctive" character.
    d) Erred by failing to apply the interdependency principle in assessing imperfect recollection.

20) The Holder filed a Respondent's Notice on 7 August 2023, dismissing the Opponent's complaints as mere disagreement with the Hearing Officer and asking that the Decision be upheld.

Standard of Review

21) 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 on appeal. In order for me to interfere, I must be satisfied that there was a distinct and material error of principle in the decision or that the Hearing Officer was wrong.

22) The principles to be applied have been set out and finessed in various cases. A convenient summary emanating from this tribunal, which has been repeatedly endorsed, was set out by Mr. Daniel Alexander KC in TT Education Ltd v Pie Corbett Consultancy [2017] RPC 17 :

"52. Drawing these threads together, so far as relevant for the present case, the principles can therefore be summarized as follows.
(i) Appeals to the Appointed Person are limited to a review of the decision of the Registrar (CPR 52.11). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong (Patents Act 1977, CPR 52.11).
(ii) The approach required depends on the nature of decision in question (REEF). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one

end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (REEF, DuPont).

(iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (Re: B and others).

(iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (REEF, BUD, Fine & Country and others).

(v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be "clearly" or "plainly" wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (Re: B).

(vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (REEF, Henderson and others).

23) I also remind myself of the comments of Mr Iain Purvis KC (as he then was) sitting as the Appointed Person in BL O-106-20 *GREYBOX*:

[23]…I do not consider there is any great value in debating differences between 'fairly low' and 'medium' degrees of similarity in the context of the overall assessment of likelihood of confusion. Certainly, I do not consider that such fine distinctions can properly be characterized as errors of principle. They are at best simply disagreements about the precise 'weight' to be given to a factor in

the overall assessment, something which the Courts have consistently rejected as a proper ground of Appeal. Furthermore, given the lack of clarity and subjectivity of the terms in question, it is impossible to have any sensible debate on Appeal about whether the Hearing Officer was right".

24) I bear these principles in mind in reaching this decision.

Merits of the Appeal

Conceptual Similarity

25) The Hearing Officer dealt with this at [90].

"90. The holder provided some submissions in relation to the conceptual meaning behind the marks. I agree that the concept of the earlier mark would be the geographical place at the very top of the Earth, which is known to be very cold. For their own mark they claim that the addition of 'King' brings the conceptual focus to that of a male ruler. I find that the concept of the contested mark will be that of the ruler of the Arctic as the words are seen together and not dissected by the average consumer. Therefore, the concepts at issue are a place versus a person or ruler of that place. I do note that there may be a portion of consumers who see 'King' as a reference to the quality of the goods – being the top- but I do not believe this to be a significant proportion of consumers. There is not much conceptual content added by the device in the contested mark, it would perhaps reinforce the idea of the Arctic being a cold place. I therefore find these marks to be conceptually similar to a between a low and medium degree."

26) From this, it can be seen that the Hearing Officer contemplated two conceptual meanings for ARCTIC KING, one being "a male ruler of a place called the ARCTIC" (the "Ruler Concept") and the other being "top quality ARCTIC goods" (the "Quality Concept") but that they dismissed the latter on the basis it would not be a concept perceived by a significant proportion of consumers.

27) In its Notice of Appeal, the Opponent submitted that that the conceptual similarity is medium to high, because *"in both instances it is a direct reference to the same location, namely, a very cold place at the top of the world. The word KING does not change the meaning of the word ARCTIC. The conceptual message to the consumer remains one concerning the ARCTIC in that there is no actual KING of the ARCTIC and no specific image comes into the mind of the consumer that overwhelms the image of the geographical location known as the ARCTIC".*

28) Somewhat surprisingly, in his Skeleton and at the Hearing Mr. Buehrlen did not pursue this line at this point. Instead, he submitted, first, that the Hearing Officer should not have discounted the Quality concept and that they erred in principle because they did not expressly suggest that that meaning would not be perceived by an *insignificant* proportion of consumers.

29) Secondly, he argued that if the Quality concept had been taken into account, then under the interdependency principle the level of similarity between the marks in the case of identical goods would have been high.

30) To his credit, Mr. McDonagh did not take a point on Mr Buehrlen's new tack and dealt with the submissions as made.

31) Both of the Opponent's arguments are hopeless. As to the perception of the marks' conceptual similarity, the Opponent's only argument below was that the inclusion of the word ARCTIC as a geographical term was sufficient to give rise to it. That was essentially the line taken in the Notice of Appeal. It was only in Mr Buehrlen's Skeleton that the Opponent focussed on the two concepts mooted by the Hearing Officer. Had the Opponent wished to influence the Hearing Officer's thinking on the interpretation/perception by the average consumer of ARCTIC KING it could have made submissions in writing or orally on the point at first instance, but it chose not to do so. The Opponent therefore left the Hearing Officer to decide the matter for themselves, based on their own knowledge and experience.

32) In contrast, the Holder did make written submissions and in doing so pressed the Ruler Concept. Not only did the Hearing Officer prefer this but on their own account considered, and dismissed, the Quality Concept. If the Opponent had taken the trouble to make the "quality" argument it now favoured at first instance, perhaps supported by evidence, it would have had the chance to persuade the Hearing Officer to its view, but it did not take up that opportunity.

33) As to the "significance" point, trade mark law is concerned with the reactions of "significant" proportions of consumers (see, by analogy, the infringement test set out by Kitchin LJ in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 [34(v)] In the absence of any submissions or evidence from the Opponent on the point the Hearing Officer, as an experienced tribunal, decided that the Quality Concept would not be perceived by a significant proportion of consumers. This was a decision they were fully entitled to make. Thereafter they were fully entitled to leave that concept out of account and to focus on the Ruler Concept. There is no requirement, as Mr. Buerhlen submitted, to go further and state that the number of consumers who would perceive the Quality Concept would be insignificant. In this respect the Hearing Officer made an evaluative decision with which I have no basis to interfere.

34) As to the second argument, this mis-understands the interdependency test. The Hearing Officer set out the interdependency test at [47 (g):

"a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;"

35) Mr Buerhlen's novel argument was that where there was identity of goods, the similarity of marks was increased beyond its base level. Clearly, that is not what the test states. It simply recognises that the likelihood of confusion may change in such circumstances. Furthermore, the interdependency principle is not applied at the stage of comparing the marks.

36) Thus, as regards these arguments put forward at the Hearing, the Appeal fails.

37) As regards the *pleaded* case on conceptual similarity, which is essentially that the marks are both ARCTIC marks, the Hearing Officer explained her reasoning both at [90] (see above) and [99]:

99. I note the beginning word of the marks are identical however in CureVac GmbH v OHIM, T-80/08 it was determined that this was not always a decisive matter in the finding of a likelihood of confusion. I actually consider that the differences in the concepts of the mark (together with the additional word and device visually) to be the most important element here. In The Picasso Estate v OHIM, Case C-361/04 P, the CJEU found that:

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

38) The pleaded case is mere disagreement with the Hearing Officer and fails accordingly.

Direct Confusion

39) The pleaded case was that the interdependency principle was not applied to identical goods. However, the Hearing Officer clearly took this into account at [100] when considering direct confusion:
"I find that the marks at issue have differing conceptual meanings together with different endings and the inclusion of a device in the contested mark that is not replicated at all in the earlier mark. Even where the goods are identical, I believe that the average consumer will recall the differences, in particular noting the conceptual and visual differences and therefore I find there to be no direct confusion."(emphasis added).

40) That ground of appeal therefore fails.

41) At the Hearing Mr. Buerhlen submitted that there should have been a finding of direct confusion because both marks contain the word ARCTIC. This was where he picked up on the pleaded point of conceptual similarity (see [27-28] above). To be fair to Mr. Buerhlen, I can see where he is coming from but mere surprise at a Hearing Officer's decision, in a situation where reasonable people may differ as to the outcome of a multifactorial evaluation, is not enough for me to interfere.

Indirect Confusion

42) The Hearing Officer set out their reasoning thus:

101. I will now go on to consider the possibility of indirect confusion. Again, I take guidance from Mr Purvis in L.A. Sugar Limited where he stated:

"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)".

102. These examples are not exhaustive but provide helpful focus as was confirmed by Arnold LJ in Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors [2021] EWCA Civ 1207:
"This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition."

103. Turning to the above categories; firstly, the shared elements between the marks is the word 'ARCTIC' which is an ordinary dictionary word and cannot be said to be strikingly distinctive, especially as it could be seen as allusive to some of the goods in question.

104. Secondly, the addition of 'King' and the device element are not non-distinctive elements which could form part of a sub-brand. Indeed, the addition of the word 'King' means that the meaning/concept of the mark has noticeable differences from that of the earlier mark.

105. The differing elements would not be an obvious or logical brand extension, in my opinion. I do not consider this to be a step that the average consumer of the goods at issue would reasonably expect a business to take.

106. Whilst the categories set out above by Mr Purvis are not exhaustive, I can find no other reason why the average consumer would, when exposed to the contested marks, assume that the goods and services at issue came from the same or an economically linked undertaking, or vice-versa, especially when those marks convey differing meanings. For items like refrigerators and freezers, with the main purpose of making or keeping items cold, the low to medium degree of distinctive character means that a consumer is less likely to assume a connection and will likely believe it to be a coincidence. For the goods where the mark will have a medium degree of distinctive character, the differences between the concepts of the two marks as discussed above will prevent consumers from assuming that there is a connection between the two, they may recall the other mark to mind but that is mere association and not indirect confusion.

107. I therefore find that there would be no indirect confusion between the marks.

43) The first complaint on indirect confusion was that for a likelihood of confusion to exists there is no need for an earlier mark to have a "strikingly distinctive" character even, though this is expressly mentioned in sub. (a) of the *L.A.SUGAR* test. However, this was not dealt with in the Opponent's skeleton or oral submissions. As such, I shall not consider the point further.

44) The Opponent also pleaded, again, that the Hearing Officer failed to give sufficient weight to the identity of goods in the interdependency test when considering indirect confusion and imperfect recollection.

45) The Hearing Officer clearly had this in mind at [100] when considering direct confusion (see above at [39]. That being the case, the Hearing Officer did not need to explicitly consider interdependency again when moving on to indirect confusion. Besides, in so far as this is a "weight" issue, it is not a proper ground of appeal.

46) At the hearing Mr. Buehrlen argued additionally that ARCTIC KING should be seen as a sub-brand or logical brand extension of ARCTIC, thus falling within categories b) or c) of the *L.A. SUGAR* test set out at [101] of the Decision. He submitted, as I understood it, that this was in some way implicit in the findings at [90] on the conceptual meaning of the Contested Mark. That might have had some traction

if the Quality Concept had been in play, but it was not, and without more, this is a mere disagreement with the Hearing Officer, not the identification of an appealable error.

Conclusion

47) The Appeal fails in full. The Decision of the Hearing Officer stands. The Contested Mark may be granted protection.

Costs

48) The Holder has succeeded and is entitled to costs. The Hearing Officer awarded the Holder £1400 and I award £1600 in respect of this appeal. The total sum of £3000 is payable by Ardutch B.V. to Midea Group Co., Ltd. within twenty-one days of the date of issue this Decision.

Philip Harris
Appointed Person
5 May 2024