

BL O/0433/24

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL TRADE MARK NUMBER 1,620,031 IN THE NAME OF EONX SERVICES PTY LTD

AND IN THE MATTER OF THE OPPOSITION UNDER NO 431,407 IN THE NAME OF E.ON SE

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF MARK BRYANT (O/1155/23) DATED 5 DECEMBER 2023

DECISION

Introduction

1. This is an appeal from the decision of Mr Mark Bryant, for the Registrar, dated 5 December 2023 (O/1155/23). E.On SE opposed the request by EonX Services Pty Ltd to extend protection for its international trade mark to the United Kingdom (No 1,620,031) in relation to goods and services in Classes 9, 35, 36 and 39. The opposition by E.On was made under sections 5(2), 5(3) and 5(4)(a) and it was partially successful. To the extent E.On was unsuccessful it appeals.
2. EonX requested to extend protection for the following international trade mark to the United Kingdom in Classes 9, 35, 36 and 39:



3. As the opposition was partially successful and partially withdrawn, the appeal only relates to the following goods and services:

Class 9

Apparatus for payment with magnetically encoded cards; apparatus for payment with magnetically memory cards; apparatus for receiving cash payments; automatic distributors for pre-payment apparatus; mechanisms for pre-payment apparatus; tariff devices for recording payment; terminals for electronically processing credit card payments; terminals for the electronic payment of charges with credit cards; cryptocurrency wallets; wallet pouches for the storage of magnetic discs (specifically adapted).

Class 35

Administration of consumer loyalty programs; organisation and administration services in relation to the supply of benefits for customer loyalty and frequent buyer or frequent flyer schemes; organisation and management of customer loyalty programmes; administration and management of consumer loyalty programs; organisation and management of discount card

loyalty schemes; organisation, operation and supervision of customer loyalty schemes; sales promotion through customer loyalty programmes.

Class 36

Issuing of tokens of value in relation to customer loyalty schemes; issuing of vouchers or tokens of value in relation to the supply of benefits for customer loyalty and frequent buyer schemes.

Class 39

Provision of travel services from customer loyalty and frequent buyer schemes; transportation services provided in relation to a customer loyalty or frequent buyer scheme; travel booking and reservation services provided in relation to a customer loyalty or frequent buyer scheme.

4. The Appellant opposed this request based on four earlier marks. The first of these earlier marks is the international trade mark (UK) (No 742,402):



5. As this mark is over five years old, the Appellant was required to prove use and it managed to do this only in relation to “energy and power supply, particularly supply of electricity and gas” in Class 39.
6. The second earlier mark is a word mark for E.ON CONNECT (No 916,773,641) which covers goods and services in Classes 9, 35, 36 and 39. The third earlier mark is a word mark for E.ON DRIVE (No 916,773,632) which covers goods and services in Classes 9, 35, 36 and 39. The final earlier mark is the word mark E.ON NEXT (No 3,476,357) which covers goods and services in Classes 9 and 39.

Standard of appeal

7. The standard of appeal is by way of review. Neither surprise at a Hearing Officer’s conclusion nor a belief that the Hearing Officer 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’s findings were rationally insupportable. The principles to be applied were summarised by Joanna Smith J in *Axogen Corporation v Aviv Scientific Ltd* [2022] EWHC 95 (Ch), [24] and in relation to findings of fact this should now be read in light of the summary of Arnold LJ in *Lidl Great Britain Ltd v Tesco Stores Ltd* [2024] EWCA Civ 262, [110] and in terms of evaluative decisions the Supreme Court’s recent guidance in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8, [49] where it stated that:

“...on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out the balancing exercise afresh but must ask whether the decision of the judge was wrong by reason of an identifiable flaw in the judge's treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account some material factor, which undermines the cogency of the conclusion.”

8. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Grounds of appeal

9. The Hearing Officer's decision is appealed on five grounds. First, it is claimed that the Hearing Officer improperly relied upon the evidence of a witness in determining the similarity of some of the goods. Secondly, it is said the Hearing Officer's conclusion on direct confusion was at odds with his earlier findings and, in particular, there was a failure to properly take account of the enhanced distinctiveness of two earlier marks, namely #402 and #357. Thirdly, it is suggested the Hearing Officer erred in his assessment of indirect confusion. Fourthly, it is claimed the Hearing Officer failed to assess properly whether there was a link for the purposes of the objection under section 5(3). Finally, the Hearing Officer was criticised for his conclusion that even if a link was created in the mind of the relevant public, it would be dismissed as a coincidence.
10. In the Appellant's skeleton, a "new" ground of appeal was put forward as a subsidiary to ground 1, namely that the Hearing Officer failed to compare "financial services, in particular decentralised financial services" with the Class 9 goods covered by the holder's mark. However, there is nothing in the seven-page grounds of appeal submitted on Form TM55P which relates to the Hearing Officer failing to consider any particular good or service in the comparison. Accordingly, it is not open to the Appellant to challenge the Hearing Officer's decision on this basis (whether or not he did in fact fail to consider these services).

Ground 1: Improperly considering evidence

11. Mr Furneaux, for the Appellant, submits that the Hearing Officer improperly considered the witness evidence of Mr Kallen (filed by the Respondent) when determining whether certain goods covered by the application were similar to those covered by the earlier marks. He submits that rather than relying on Mr Kallen's evidence, the Hearing Officer should have relied on his own knowledge (ie taken judicial notice) to make factual findings relevant to the comparison of the goods.
12. The evidence was said to be considered in relation to the goods in Class 9 (except wallet pouches & c) covered by the holder's mark. The Hearing Officer concluded (subject to exceptions) at [36] that these Class 9 goods had either a very low or no similarity to the following Class 9 goods covered by the earlier marks:

#641 mark: Electronic device software drivers that allow computer hardware and electronic devices to communicate with each other; ...smart home automation electronic devices; Electrical sensors; Electronic sensors; Systems and software for remote control of technical systems and smart home software.

#357 mark: Smart home software; smart home automation electronic devices; wireless-operated apparatus for reading data from (smart) meters; smart meters.

#632 mark: Charging stations for electric vehicles.

13. The exceptions were, firstly, that the holder's cryptocurrency wallets were dissimilar to any of the Class 9 goods covered by earlier marks (Decision, [37]) and that smart meters have "very low" similarity to the holder's various payment apparatus ([38]). He also found any similarity between charging stations and the holders various payment apparatus to be very low: [39]. In relation to the comparison of the other goods, the Hearing Officer states at [36] (footnote to the witness statement omitted):

He [Mr Furneaux] claimed that these goods include smart meters and related products that are identical or highly similar to the holder's payment equipment. Mr Wilden submitted that the opponent has not provided any evidence to assist in the comparison of the British Sugar factors and in the face of Mr Kallen's explanation that the respective goods are dissimilar and any evidence to support a contrary position, I must accept Mr Kallen's position. Mr Kallen stated that based on his knowledge and experience in the market, these goods are not similar because their nature and functions are different and are highly unlikely to be bought or used together. He states that the holder's goods are used to facilitate the making and tracking of payments but, in contrast, the opponent's smart home automation electronic devices are used to control actions of electronic devices in the home in a domestic setting. In the main, I agree with Mr Kallen that the nature and function (purpose) are different. As a consequence, they are not in competition or obviously complementary. Neither is there anything before me to show that there is any overlap of trade channels. Taking all of this into account, I conclude that most of these goods share a very low or no similarity to the opponent's goods.

14. I accept Mr Furneaux's submission before me that Mr Kallen's evidence about the wider marketplace was not the evidence of an impartial expert and should not be treated as such. It is also clear that the Hearing Officer relied on this wider evidence to some degree. Nevertheless, it appears to me that the Hearing Officer would not have come to different conclusions even if he had not taken this evidence into account.
15. First, Mr Kallen's evidence suggests that holder's goods are used to facilitate the making and tracking of payments. If the Hearing Officer were relying on his own experience, it is difficult to see how various forms of payment and pre-payment meters in the holder's specification could be described in any other way than for the purposes of making and tracking payments. Likewise, Mr Kallen suggests that the Appellant's goods are for smart home automation and, other than drivers and sensors which could have more general application, it is difficult to see what other description the Hearing Officer would have used based on his own experience considering the specification of the goods.
16. The Appellant's grounds of appeal extend to an allegation that the Hearing Officer adopted a narrow interpretation of the holder's goods in Class 9. As mentioned above, the grounds of appeal did not extend to a criticism of the Hearing Officer for failing to consider at all whether things like sensors and drivers were similar to the holder's goods. Accordingly, I do not need to explore this issue further.
17. Secondly, the Hearing Officer was clearly applying his own mind to the issue of similarity. While he says that he "must accept" the evidence as it is unchallenged, this it appears to me is a reference to its veracity rather than a reference to its sufficiency. Indeed, he notes that he agrees with Mr Kallen "in the main" and so, conversely, he

must disagree with him in part. He was therefore clearly applying his own mind to the issue and not relying blindly on Mr Kallen's evidence.

18. Finally, it is clear that the Hearing Officer does not accept Mr Kallen's evidence on the material issue – namely similarity – as Mr Kallen's evidence suggests the goods were dissimilar whereas the Hearing Officer took the view the goods share “a very low or no similarity” (in other words, the goods are slightly more similar than Mr Kallen suggests).

19. I, accordingly, reject the first ground of appeal.

Ground 2: Direct confusion

20. The Hearing Officer summarised his findings as to the similarity of goods and services in Decision, [70] and he followed this by saying:

71. I keep all these findings in mind when considering whether a likelihood of confusion exists. The fact that the first element of both parties' marks include the same three letters E, O and N is a strong pointer towards a likelihood of confusion. In all marks this is the dominant and distinctive element. The dot/full stop present in the opponent's marks emphasises that the element consists of the syllables E and ON but does not fundamentally change the aural characteristics and these elements will be expressed identically to the word “eon” present in the holder's mark. Further, a significant proportion of relevant consumers will not notice the dot/full stop or, if they notice it, they are likely to place no significance upon its presence in the opponent's marks. When I factor in that imperfect recollection is a factor, this further reinforces such a finding. I keep in mind that the stylisation of the letters “eon” in the holder's mark differs from the stylisation of the same letters in the opponent's '402 mark but this may go unnoticed or, if it noticed at all, will be put down to a new or amended corporate style rather than to it being because they originate from different entities. The other three earlier marks are word only and as such may be used in any ordinary font, some of which may be very similar to the stylisation present in the first element of the holder's mark.

72. Having made the above observations, I remind myself that I must consider the respective marks as whole and not artificially dissect the marks. In doing so, I recognise that the respective second elements of all the marks are different and these differences are sufficient to make it unlikely that there is direct confusion where one mark is mis-recalled as the other.

21. The Appellant suggests the finding in [72] is rationally insupportable for four reasons. First, Mr Furneaux submits that the #402 mark has only one element and so the Hearing Officer could not have been considering it when he reached the above conclusion as there was no “second” element in that mark.

22. It appears at first blush that the #402 mark does not have a second element. However, the holder's mark has the X element. The Hearing Officer might, therefore, have thought the *absence* of a second element is as significant as there being such an element. In other words, the addition of the X element to the Respondent's mark means there was no direct confusion with #402. This might be seen as a generous reading of the Hearing Officer's decision but as he undertook a very detailed evaluation of the likelihood of confusion of the #402 mark in [71] it is inconceivable that he had forgotten all of this in [72]. Accordingly, it appears to me the generous reading must be the right one.

23. The second criticism was a suggestion that the Hearing Officer's finding effectively precluded a finding of direct confusion where marks have multiple elements and share only one of those elements. I entirely accept that a single shared element can be enough for direct confusion in some cases. However, clearly the more distinctive the unshared elements of the mark become, the less likely it is that direct confusion would result. In any event, the Hearing Officer's finding was that the differences were "sufficient" to make it unlikely there would be direct confusion. He was not foreclosing direct confusion in all cases. Instead, it appears that he was undertaking an individualised case-by-case analysis of the marks.
24. The third criticism was that while the Hearing Officer found the second element of the relevant earlier marks to be allusive (at [66]), he did not factor this in his assessment of direct confusion whereas he did for indirect confusion (at [77]). I reject this criticism. As the Hearing Officer was weighing whether the differences between the second elements of the mark were such as to negate direct confusion, he clearly had the allusive nature of the marks in mind.
25. The final criticism on this ground was that the marks' enhanced distinctiveness was not properly weighed in the balance. The Hearing Officer found that #402 and #357 had enhanced distinctiveness (at [68] and [70]). The finding in relation to #402 is clear enough, namely it relates to the core services (energy and power supply, particularly supply of electricity, gas). In relation to the #357 mark, problematically, the Hearing Officer does not spell out in respect of which goods or services the mark has enhanced distinctiveness. Indeed, the evidence which he refers to in order to support his finding of enhanced distinctiveness is not very helpful as it relates simply to the acquisition of Npower by E.On.
26. I cannot see from the evidence how enhanced distinctiveness for #357 could extend beyond the same core services in respect of which it exists for #402. Indeed, I am dubious the evidence is sufficient to support even that finding. Nevertheless, I will treat the finding of enhanced distinctiveness for #357 to cover the same services as it does for #402 (but not that it extends further to Class 9 goods such as charging stations for electronic vehicles, smart home software etc).
27. When considering whether the Hearing Officer considered enhanced distinctiveness, I am reminded of *Henderson v Foxworth Investments Ltd* [2014] UKSC 41 at [48] where it was said:

An appellate court is bound, unless there is compelling reason to the contrary, to assume that the trial judge has taken the whole of the evidence into his consideration.
28. This obligation applies to findings of fact by judicial notice as it applies to evidence. In any event, the Hearing Officer reminded himself of his finding of enhanced distinctiveness in [70] and he expressly says he keeps this finding in mind in the next paragraph. I can see no reason, therefore, to assume he had forgotten his finding when he reached his conclusion.

29. Accordingly, I dismiss this ground of appeal as well.

Ground 3: Indirect Confusion

30. The Appellant's first criticism in relation to indirect confusion relates to the failure to properly consider the enhanced distinctive character of #402 and #357. For the reasons, I have already mentioned this criticism can be dismissed.

31. The second criticism is based on the Hearing Officer's finding in Decision, [78]:

In respect of the remaining goods and services, I find that the fact that both parties' marks contain an "eon" element will, if noted at all, will be put down to no more than coincidence.

32. Mr Furneaux submits that this finding amounts to a side-by-side comparison and that it ignores the nature of indirect confusion. I see nothing in this statement which suggests a (forbidden) side-by-side comparison and so I will turn to the next challenge to the decision.

33. It is submitted that a finding of "coincidence" suggests a "process of analysis or reasoning" and this is not appropriate. In *L.A. Sugar Limited v By Back Beat* (O/375/10), Iain Purvis QC, sitting as the Appointed Person, describes (at [16]) direct confusion to involve "no process of reasoning" whereas indirect confusion 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".

34. However, James Mellor QC, sitting as the Appointed Person, in *Eden Chocolat v Heirler Cenovis* (O/547/17) takes a slightly different approach. He suggests that there should not be "too detailed an analysis of what I believe should be an emulation of an instinctive reaction in the mind of the average consumer when encountering the later mark with an imperfect recollection of the earlier mark in mind" (at [81]). He continues later by saying "[i]t is not a process of analysis or reasoning, but an impression or instinctive reaction" (at [81.2]).

35. In other words, *L.A. Sugar* suggests a mental process whereas *Eden Chocolat* suggests it is "not a process of analysis or reasoning". To complete the picture when the Court of Appeal endorsed *L.A. Sugar* it did so without reference to *Eden Chocolat: Liverpool Gin Distillery Ltd v Sazerac Brands, LLC* [2021] EWCA Civ 1207, [11-14].

36. I am not sure that the comments in either *L.A. Sugar* or *Eden Chocolat* should be taken too absolutely. Direct confusion requires some mental process even if this goes no further than (imperfect) recall. However, in contrast to indirect confusion, direct confusion is predicated on a consumer not noticing (or taking into account) the differences between the marks. Once the differences are noticed (and taken into account) by the average consumer, the issue becomes whether they will suggest towards the goods or services having the same or a different commercial origin from that of the mark they remember.

37. Where a purchasing decision is very quick, so will be the decision as to whether there is an economic link between the two marks. But even for the quickest purchases, it seems to me there must be a mental process taking place. In short, I think *LA Sugar* and *Eden Chocolat* can be reconciled once it is accepted that reasoning can be instantaneous and instinctive. A consumer can reason without being particularly thoughtful about it.
38. I therefore see no problem with a consumer seeing two marks and concluding that any similarities between the marks are a mere coincidence. Accordingly, I also dismiss the third ground of appeal.

Ground 4: The link

39. The Appellant submits that while the Hearing Officer set out the correct test for determining whether there is a link between the two marks, he erred in his assessment of the matter because he placed undue reliance on the similarity of the goods.
40. First, Mr Furneaux submits that the similarity of the goods or services cannot be the decisive factor in finding a link. I entirely accept this submission as it must be the case that a link can be found where the goods or services are dissimilar as well as where they are similar: Trade Marks Act 1994, s 5(3A).
41. However, there is nothing in the Hearing Officer's decision which suggests that he was giving weight to this factor above all others. I therefore reject this submission.
42. Secondly, Mr Furneaux submits that the Hearing Officer erred when he took into account that none of the opponent's success under section 5(2)(b) was a result of the #402 mark (at [94]). This point is entirely misconceived. One of the factors for establishing a link between the marks is whether there is a likelihood of confusion on the part of the public (see *C-252/07 Intel v CPM* [2008] ECR I-8823, [42]). Accordingly, the absence of success under section 5(2)(b) demonstrates there is no such likelihood of confusion and so weighs against there being a link.
43. Finally, Mr Furneaux submits that the Hearing Officer erred when he suggested there was little overlap between consumers for the goods and services covered by the two marks (at [92]).
44. The Hearing Officer's finding as to the relevant public for the relevant goods and services was not very specific (see Decision, [61]). However, it is clear that the goods where reputation was found (energy and power supply) would be supplied to the general public. This public would, therefore, overlap with the more specialised public for the holder's goods.
45. The Hearing Officer therefore erred in his finding in this regard. Nevertheless, it is also clear that overlapping publics do not automatically lead to there being a link for the purposes of section 5(3): see, for example: *T-62/16 Puma v EUIPO*, EU:T:2018:604, [45]; *T-71/14 Swatch v OHIM*, EU:T:2015:293, [32]. The overlapping public is just one factor to be weighed into the mix.

46. Even once the overlapping public is taken into account, in light of the other findings by the Hearing Officer, it remains the case that the distance between the goods and services is enough to negate a link (see Decision, [94]). In any event, as is clear from the final ground of appeal, even if there is a link it is not strong enough to do any injury.

47. I therefore dismiss the fourth ground of appeal as well.

Ground 5: Coincidence

48. The final point I can deal with quite briefly. Mr Furneaux submits that the Hearing Officer erred in his final finding at [94]:

...if I am wrong, and the opponent's mark is brought to mind, it will be dismissed as no more than coincidence.

49. It is submitted that if there is a link brought to mind then it is necessary to go on and consider whether the use causes any of the necessary injuries, namely the later mark takes unfair advantage of or would be detrimental to the distinctive character or the repute of the earlier trade mark (see Trade Marks Act 1994, s 5(3)).

50. There was an almost identical finding and then submission made in *BUILDXACT* (O/934/23), [45 to 47]. I continue to hold the view expressed in that case, namely that if a link is brought to the mind of the relevant public then it is necessary to go on to consider whether any of the necessary injuries exists.

51. However, in appropriate cases, it is quite acceptable for a Hearing Officer to address this briefly by concluding that, despite a link existing, there would be no injury caused because the link would be dismissed as a coincidence. Accordingly, it is not necessary for the Hearing Officer to explain in detail why each form of injury does not exist. This short phrase covers it all.

52. I accordingly reject the last ground of appeal.

Conclusion

53. For these reasons, I dismiss the appeal and uphold the Hearing Officer's decision.

54. As the Respondent did not take part in the proceedings, I make no order as to costs.

PHILLIP JOHNSON
THE APPOINTED PERSON
10 May 2024

Representation: Robert Furneaux (of Sipara Limited) for the Appellant

The Respondent did not appear.