O/0669/24

TRADE MARKS ACT 1994

IN THE MATTER OF
UK REGISTRATION NO. 3816331
IN THE NAME OF
SHENZHEN RUIXIN DIGITAL TECHNOLOGY CO.,LTD.
IN RESPECT OF THE FOLLOWING TRADE MARK:

CARKOO

IN CLASS 9

AND

AN APPLICATION FOR DECLARATION OF INVALIDITY
THERETO UNDER NO. 505933
BY
CAZOO LTD

Background & Pleadings

1. The trade mark ("**contested mark**") shown on the front page of this decision stands registered in the name of Shenzhen Ruixin Digital Technology Co.,Ltd. ("**the registered proprietor/proprietor**"). The mark was applied for on 3 August 2022 in the United Kingdom and completed its registration procedure on 2 December 2022 in respect of the following goods:

   Class 9: Battery chargers; Cabinets for loudspeakers; Cell phone cases; Cell phone covers; Converters for electric plugs; Data cables; Electric navigational instruments; Electric switches; Global positioning system(GPS); Headphones; Portable media players; Protective covers for tablet computers; Protective films adapted for computer screens; Stands adapted for tablet computers; Protective films adapted for smartphones; Car video recorders; Car batteries; Car telephones; Car stereos; Wireless chargers; cell phone battery chargers; Stands adapted for mobile phones; In-car telephone handset cradles; Cell phone mounts for vehicles; Cell phone holders for vehicles; Smartphone mounts; Adjustable smartphone and PC tablet stabilizers and mounts; Fire-extinguishers; Wearable activity trackers; Tripods for cameras; Portable photography equipment, namely, reflectors, tripods, light stands and supports and bags specially adapted for these goods; Selfie stick; Monopods used to take photographs by positioning a smartphone or camera beyond the normal range of the arm; Tilting heads [for cameras]; Adjustable smartphone and PC tablet stabilizers and mounts;PC tablet mounts; Smartphone mounts; Covers for personal digital assistants; Swivelling stands adapted for computers and tablet computers; Swivelling stands adapted for computers; Mobile phone ring holders; Waterproof cases for smart phones; display screen protectors in the nature of films for mobile phones; Fitted plastic films known as skins for covering and protecting mobile phones, tablet computer screens [excluding gaming apparatus]; Screen protectors comprised of

acrylic, tempered glass, plastic adapted for use with portable electronic devices, mobile phones, tablet computer screens [excluding gaming apparatus].

2. On 22 March 2023, CAZOO LTD ("**the applicant**") filed an application to have this trade mark declared invalid under the provisions of Section 5(2)(b) of the Trade Marks Act 1994 ("the Act")[1], which are relevant in invalidation proceedings under Section 47 of the Act. In conjunction with the Section 5(2)(b) ground, this opposition was also initially based on Section 5(3) of the Act. However, on 12 September 2023, the Registry confirmed that the applicant failed to file evidence in support of its Section 5(3) ground, and as a result, the cancellation was deemed withdrawn in respect of the Section 5(3) ground. The applicant relies upon its UK trade mark registration 3622610 for the word mark:

CAZOO

3. The mark was filed on 7 April 2021 and was registered on 22 October 2021 for various Classes. The applicant relies on the following goods for the purposes of these invalidation proceedings:

Class 9: Computer software; computer programs; compact discs, DVDs and other digitals recording media; data and information stored on magnetic, optical, magneto-optical or solid-state media; electronic publications (downloadable or streamable); interactive computer software; downloadable software; software for searching electronic information from a global computer network or the Internet; downloadable electronic publications; downloadable publications;

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[1] The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

downloadable books; media content; all relating to vehicles, to vehicle auction services and to vehicle remarketing services.

Class 12: Vehicles for locomotion by land; driverless cars; parts and fittings for the aforesaid goods.

4. In its statement of grounds, the applicant claims that the goods are similar, and the marks are visually, aurally, and conceptually similar resulting in a likelihood of confusion. In more detail, the applicant claimed the following:

> "The marks CAZOO and CARKOO have clear similarities in that the prefixes CA/CAR and suffixes KOO/ZOO are phonetically similar. CARKOO could therefore easily be considered a misspelling or misunderstanding of the word CAZOO. Therefore the marks are aurally and conceptually similar as well as visually similar. Overall, bearing in mind imperfect recollection and the principle of interdependency where the proximity of the goods/services marks may be offset by the closely similar marks, there exists a very real likelihood of confusion, including a likelihood of association. The mark should therefore be invalidated under the provisions of Section 5(2)(b) of the Trade Marks Act 1994."

5. The proprietor filed a notice of defence denying the applicant's claims. It asserted that the goods are dissimilar and the differences between the marks are substantial preventing confusion.

6. Neither of the parties filed evidence or submissions.

7. No hearing was requested and so this decision is taken following a careful perusal of the papers.

8. In these proceedings, the registered proprietor is represented by Paweł Wowra and the applicant is a litigant in person.

Decision

9. Section 47 of the Act states that:

> "[…]
>
> (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-
>
> > (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
> >
> > (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,
>
> unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.
>
> […]
>
> (2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –
>
> > (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
> >
> > (b) the registration procedure for the earlier trade mark was not completed before that date, or
> >
> > (c) the use conditions are met.
> >
> > […]
>
> (5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed."

10. The invalidation application is based specifically on Section 5(2)(b) of the Act which states that:

"A trade mark shall not be registered if because-

[…]

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

11. Under Section 6(1) of the Act, the applicant's trade mark clearly qualifies as an earlier trade mark. Further, as protection of the earlier mark was completed less than five years before the registration date of the contested mark, proof of use is not relevant in these proceedings as per Section 6A of the Act.

12. The principles, considered in these applications for invalidity, stem from the decisions of the European Courts in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM) (Case C-3/03), *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (Case C-

120/04), *Shaker di L. Laudato & C. Sas v OHIM* (Case C-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the Goods at Issue

13. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, the Court of Justice of the European Union (CJEU) stated that:

> "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 complementary."

14. Guidance on this issue was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited ("Treat")* [1996] RPC 281. At [296], he identified the following relevant factors:

> "(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."

15. In *YouView TV Ltd v Total Ltd,* [2012] EWHC 3158 (Ch), paragraph 12, Floyd J (as he then was) gave the following guidance on construing the words used in specifications:

"[…] Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless, the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words of phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

16. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU held that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The GC

clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06, at paragraph 82:

> “[…] 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.”

17. The competing goods to be compared are shown in the following table:

Registered Proprietor’s Goods	Applicant’s Goods
Class 9: Battery chargers; Cabinets for loudspeakers; Cell phone cases; Cell phone covers; Converters for electric plugs; Data cables; Electric navigational instruments; Electric switches; Global positioning system(GPS); Headphones; Portable media players; Protective covers for tablet computers; Protective films adapted for computer screens; Stands adapted for tablet computers; Protective films adapted for smartphones; Car video recorders; Car batteries; Car telephones; Car stereos; Wireless chargers; cell phone battery chargers; Stands adapted for mobile phones; In-car telephone handset cradles; Cell phone mounts for vehicles; Cell phone holders for vehicles; Smartphone mounts; Adjustable smartphone and PC tablet stabilizers and mounts; Fire-extinguishers; Wearable activity trackers; Tripods for cameras; Portable photography equipment, namely, reflectors, tripods, light stands and supports and bags specially adapted for these goods; Selfie stick; Monopods used to take photographs by positioning a smartphone or camera beyond the normal range of the arm; Tilting heads [for cameras]; Adjustable smartphone and PC tablet	**Class 9:** Computer software; computer programs; compact discs, DVDs and other digitals recording media; data and information stored on magnetic, optical, magneto-optical or solid-state media; electronic publications (downloadable or streamable); interactive computer software; downloadable software; software for searching electronic information from a global computer network or the Internet; downloadable electronic publications; downloadable publications; downloadable books; media content; all relating to vehicles, to vehicle auction services and to vehicle remarketing services. **Class 12:** Vehicles for locomotion by land; driverless cars; parts and fittings for the aforesaid goods.

stabilizers and mounts; PC tablet mounts; Smartphone mounts; Covers for personal digital assistants; Swivelling stands adapted for computers and tablet computers; Swivelling stands adapted for computers; Mobile phone ring holders; Waterproof cases for smart phones; display screen protectors in the nature of films for mobile phones; Fitted plastic films known as skins for covering and protecting mobile phones, tablet computer screens [excluding gaming apparatus]; Screen protectors comprised of acrylic, tempered glass, plastic adapted for use with portable electronic devices, mobile phones, tablet computer screens [excluding gaming apparatus].	

18. The applicant claims the following:

> "The CARKOO mark covers goods in Class 9, which includes car stereos, car video recorders and other such devices. These goods are frequently used in conjunction with vehicles (and their parts) in Class 12 and in conjunction or combination with computer software, publications, media content for such vehicles. The goods are therefore similar or in any case complementary (and therefore similar) since the nature and users of these goods Would overlap and/or be connected."

19. The proprietor provided lengthy contentions in relation to the nature, purpose, method of use, competition, and distribution channels as follows:

> "5. Nature. The Proprietor's goods comprise a broad range of physical, electronic hardware and accessories such as battery chargers, phone cases, navigation devices, headphones, car stereos, photography equipment, etc. These goods are tangible and primarily used with or as electronic devices. In contrast, the Applicant's goods

are intangible, consisting of software-based products including computer programs, digital media, and electronic publications, **<u>all of which are limited to vehicles</u>**, vehicle auction services, and vehicle remarketing services. Therefore, in terms of nature, the Proprietor's goods significantly differ from those of the Applicant.

6. Intended purpose. The Proprietor's goods have diverse purposes from protection and enhancement of mobile device functionality to car communication and aiding in photography. The Applicant's goods, however, are designed to offer software solutions and information only in the areas of vehicles, vehicle auctions, and vehicle remarketing. There is no evident overlap in the intended purpose of the goods of the Applicant and the Proprietor.

7. Method of use. The Proprietor's goods are used directly with electronic devices (like cellphones, tablets) or independently (such as fire-extinguishers and tripods). On the other hand, the Applicant's goods are utilized via computers or internet-enabled devices for interacting with vehicle-related services. Therefore, the method of use of the goods of both parties is distinct.

8. Competition. Given the dissimilar nature, purpose, and method of use, it is unlikely that the Applicant's goods and Proprietor's goods would be in competition with each" other. The consumers seeking the Applicant's goods related to vehicle auctions and remarketing would not find the Proprietor's goods as substitute products.

9. Distribution channels. Given the distinct purposes and markets of the products, it's likely they would be distributed through different channels. The Applicant's software and related products would likely be distributed via specialized platforms for automotive professionals, while the Proprietor's goods are typically sold through electronics and general goods retailers.

10. The fact that the Applicant's products are exclusively related to vehicle auctions and remarketing services further underscores the

disparity in nature, purpose, use, competition, and distribution between the Applicant's and the Proprietor's goods."

20. In addition, for the avoidance of doubt, pursuant to Section 60A(1) of the Act, goods are not to be regarded as similar or dissimilar simply because they fall in the same or different Class.

21. I also note that the limitation "*all relating to vehicles, to vehicle auction services and to vehicle remarketing services*" in Class 9 of the applicant's specification does not prevent a finding of similarity between the respective goods, especially where broad terms are present in the proprietor's specification.

22. For the purpose of considering the issue of similarity of goods, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way for the same reasons.[2]

Battery chargers

23. The contested term is a broad term that includes battery chargers of any type. The closest comparable term in the applicant's specification is "*Vehicles for locomotion by land*". Although their natures, methods of use and purposes are different, undertakings who offer the electric versions of the applicant's goods, namely e-vehicles, are also likely to provide the charging apparatus for their batteries. They also reach the market through overlapping trade channels and target the same users. I find the competing goods to be similar to between a low and medium degree.

[2] *Separode Trade Mark* BL O-399-10 and *BVBA Management, Training en Consultancy v BeneluxMerkenbureau* [2007] ETMR 35 at paragraphs 30 to 38.

Car batteries

24. The contested goods are similar to the applicant's "*Vehicles for locomotion by land*" and "*driverless cars*" as the batteries are a key component of such goods. Thus, there is a prominent complementary relationship between the goods. Further, the respective goods could be sold through the same trade channels and have the same users. Therefore, they are similar to a medium degree.

Global positioning system (GPS); Electric navigational instruments

25. The goods in question are a navigation system/instrument that provides location, velocity and time synchronisation facilitating the determination of the location. Whilst the above goods are considered to be types of hardware, I still consider that the proprietor's goods are similar to the applicant's "*Computer software; interactive computer software; downloadable software*". This is on the basis that the applicant's software is essential to the use and functionality of the proprietor's goods (as they would not work without it), and therefore they are indispensable to one another. The consumer is, therefore, likely to believe that the same undertaking will provide both, and thus, they are complementary. There would likely also be an overlap in trade channels and users. Consequently, the goods are similar to between a low and medium degree.

Car video recorders; Car telephones; Car stereos

26. The contested goods are largely devices for cars. The closest comparable terms from the applicant's specification are "*Vehicles for locomotion by land*; *driverless cars*". In the absence of evidence, the fact that a vehicle may incorporate such devices, such as a video recorder, is not enough to render the goods under comparison similar. To my knowledge, the contested goods are usually produced by technological companies that are active in the audio/video or telecommunications industry as opposed to the automotive industry. Thus, their producers do not coincide, and they have

a different nature, purpose, and method of use. Although the users and trade channels may overlap at a general level, I do not consider these to be sufficient factors to find similarity.

Cabinets for loudspeakers; Cell phone cases; Cell phone covers; Converters for electric plugs; Data cables; Electric switches; Headphones; Portable media players; Protective covers for tablet computers; Protective films adapted for computer screens; Stands adapted for tablet computers; Protective films adapted for smartphones; Wireless chargers; cell phone battery chargers; Stands adapted for mobile phones; In-car telephone handset cradles; Cell phone mounts for vehicles; Cell phone holders for vehicles; Smartphone mounts; Adjustable smartphone and PC tablet stabilizers and mounts; Fire-extinguishers; Wearable activity trackers; Tripods for cameras; Portable photography equipment, namely, reflectors, tripods, light stands and supports and bags specially adapted for these goods; Selfie stick; Monopods used to take photographs by positioning a smartphone or camera beyond the normal range of the arm; Tilting heads [for cameras]; Adjustable smartphone and PC tablet stabilizers and mounts;PC tablet mounts; Smartphone mounts; Covers for personal digital assistants; Swivelling stands adapted for computers and tablet computers; Swivelling stands adapted for computers; Mobile phone ring holders; Waterproof cases for smart phones; display screen protectors in the nature of films for mobile phones; Fitted plastic films known as skins for covering and protecting mobile phones, tablet computer screens [excluding gaming apparatus]; Screen protectors comprised of acrylic, tempered glass, plastic adapted for use with portable electronic devices, mobile phones, tablet computer screens [excluding gaming apparatus]

27. In the absence of particularised submissions or evidence, there is no obvious similarity between the contested goods and the applicant's. Even though the competing goods may share the same users, this is not a sufficient factor by itself to find similarity. They differ in nature, purpose, trade channels, and they are not complementary or in competition. Thus, I consider them to be dissimilar.

28. The likelihood of confusion does not arise in relation to the contested goods which are dissimilar to the earlier mark's goods.[3] **The invalidation action cannot succeed against dissimilar goods and, therefore, is dismissed insofar as it concerns the following terms:**

> **Class 9:** Car video recorders; Car telephones; Car stereos; Cabinets for loudspeakers; Cell phone cases; Cell phone covers; Converters for electric plugs; Data cables; Electric switches; Headphones; Portable media players; Protective covers for tablet computers; Protective films adapted for computer screens; Stands adapted for tablet computers; Protective films adapted for smartphones; Wireless chargers; cell phone battery chargers; Stands adapted for mobile phones; In-car telephone handset cradles; Cell phone mounts for vehicles; Cell phone holders for vehicles; Smartphone mounts; Adjustable smartphone and PC tablet stabilizers and mounts; Fire-extinguishers; Wearable activity trackers; Tripods for cameras; Portable photography equipment, namely, reflectors, tripods, light stands and supports and bags specially adapted for these goods; Selfie stick; Monopods used to take photographs by positioning a smartphone or camera beyond the normal range of the arm; Tilting heads [for cameras]; Adjustable smartphone and PC tablet stabilizers and mounts;PC tablet mounts; Smartphone mounts; Covers for personal digital assistants; Swivelling stands adapted for computers and tablet computers; Swivelling stands adapted for computers; Mobile phone ring holders; Waterproof cases for smart phones; display screen protectors in the nature of films for mobile phones; Fitted plastic films known as skins for covering and protecting mobile phones, tablet computer screens [excluding gaming apparatus]; Screen protectors comprised of acrylic, tempered glass, plastic adapted for use with portable electronic devices, mobile phones, tablet computer screens [excluding gaming apparatus].

[3] Case C-398/07, *Waterford Wedgwood plc v OHIM*; and *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, para 49.

Average Consumer and the Purchasing Act

29. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), at paragraph 70, Birss J (as he then was) described the average consumer in these terms:

> "The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word 'average' denotes that the person is typical. The term 'average' does not denote some form of numerical mean, mode or median."

30. The average consumer for the goods in Classes 9 and 12 is likely to be either a member of the general public or a professional. In either case, the goods will most likely be the subject of self-selection from catalogues, websites, stores or specialist outlets/suppliers or their online equivalents. This suggests that the selection of such goods will predominantly be made on a visual basis, though aural considerations cannot be ignored as advice may be sought by the purchaser or offered by a trader.

31. Class 9 goods range in price, in my experience, from relatively low, such as battery chargers, to those of medium value, such as car batteries. Even for those at the inexpensive end of the scale, the average consumer may examine the product to ensure that they select the correct type and that it is fit for purpose. Thus, the average consumer will pay an average degree

of attention, heightened slightly for more expensive goods such as car batteries.

32. For Class 12 goods, consumers may consider factors such as quality, longevity, compatibility, and cost when selecting, for example, vehicles. This is to ensure that their vehicle is safe and road-worthy and that the parts and fittings used are of good quality and appropriate for their specific requirements; even where the cost is not particularly high, a number of factors will still be taken into account. These goods are available at a range of prices but are not inexpensive and will be purchased fairly infrequently. As such, the purchase is unlikely to be impulsively made and will, instead, be subject to a reasonably considered selection process, particularly for vehicles which are at the very expensive end of the scale. Consequently, the average consumer is likely to pay a slightly higher than average degree of attention, but not the highest, for those goods of medium value, which is necessary to determine the product's suitability for its intended purpose, and a very high degree of attention for the most expensive goods, such as vehicles.

Comparison of Trade Marks

33. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> "[…] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant

to the circumstances of the case, to assess the likelihood of confusion."

34. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

35. The marks to be compared are:

Earlier Mark	Contested Mark
CAZOO	CARKOO

Overall Impression

36. Both of the competing marks are word only marks presented in a standard typeface and upper case. Registration of a word mark protects the word itself.[4] The overall impression of the competing marks lies in the words themselves.

Visual comparison

37. The earlier mark "CAZOO" is five letters long, whilst the contested mark "CARKOO" is six. The competing marks share common beginnings, i.e. "CA-", and endings, i.e. "-OO". However, the competing marks have different letters in positions 3 and 4, namely "CAZOO/CARKOO". Taking into account the above factors, including the overall impression of the

[4] See *LA Superquimica v EUIPO*, T-24/17, para 39; and *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17, paragraph 16.

competing marks, I find that the marks are visually similar to a medium degree.

Aural comparison

38. The competing marks both consist of two syllables. The contested mark will be articulated as “CAR-KOO” and the earlier mark as “CA-ZOO”. Although the marks do not share similar syllables, there is some similarity in the articulation of the beginning and ending parts of the marks as the first syllables start with the “CA-” sound and end with the “-OO” sound. Thus, I find them to be aurally similar to a medium degree.

Conceptual comparison

39. The applicant claims the following:

> “Conceptually, "CARKOO" might be associated with the word "car", potentially suggesting vehicular or automotive concepts. However, the "KOO" element does not have a recognized meaning in English and therefore does not elicit a particular conceptual image. On the other hand, "CAZOO" as a whole does not correspond to a known English word or a combination of words. Its conceptual image is ambiguous and likely to be perceived as a made-up or fanciful term. Therefore, these two marks carry different conceptual implications, with "CARKOO" potentially implying an automotive association and "CAZOO" being abstract or undefined. This results in a significant conceptual dissimilarity between the two.”

40. In the absence of evidence, I am not ready to accept that a significant proportion of the average consumers will recognise the concept of a vehicle in the contested mark “CARKOO”. The competing marks will be seen as invented words having no meaning. Therefore, I find the marks to be conceptually neutral.

Distinctive Character of the Earlier Trade Mark

41. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, paragraph 22 and 23, the CJEU stated that:

> "In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

42. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.

43. The applicant has not shown use of its mark and thus cannot benefit from any enhanced distinctiveness. In this respect, I have only the inherent

distinctiveness of the applicant's mark to consider. The applicant's mark consists of the invented word "CAZOO" which has no allusive or suggestive significance in relation to the goods for which the mark is registered. I consider that the mark is inherently distinctive to a high degree.

Likelihood of Confusion

44. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred above in this decision. Such a global assessment is not a mechanical exercise. I must also have regard to the interdependency principle, that 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.[5] It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the trade mark, the greater the likelihood of confusion. I must also keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon imperfect recollection.[6]

45. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. Indirect confusion is where the consumer notices the differences between the marks but concludes that the later mark is another brand of the owner of the earlier mark or a related undertaking.

46. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Iain Purvis K.C., sitting as the Appointed Person, explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that

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[5] See *Canon Kabushiki Kaisha*, paragraph 17.

[6] See *Lloyd Schuhfabrik Meyer*, paragraph 27.

these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only 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 when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something 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."

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)."

These examples are not exhaustive. Rather, they were intended to be illustrative of the general approach.[7]

47. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor QC (as he then was), sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

48. In *Liverpool Gin Distillery Ltd and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207, the Court of Appeal dismissed an appeal against a ruling of the High Court that trade marks for the words EAGLE RARE registered for whisky and bourbon whiskey were infringed by the launch of a bourbon whiskey under the sign "American Eagle". In his decision, Lord Justice Arnold stated that:

> "13. As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."

49. Earlier in this decision I have concluded that:

- the goods at issue are similar to a between low to medium and medium degree;

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[7] See *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207.

- the average consumer is a member of the general public or a professional. The selection process is predominantly visual without discounting aural considerations. As to Class 9 goods, the average consumer will pay an average degree of attention, heightened slightly for more expensive goods. In relation to Class 12 goods, the average consumer is likely to pay a slightly higher than average degree of attention, but not the highest, for those goods of medium value, and a very high degree of attention for the most expensive goods;
- the marks are visually and aurally similar to a medium degree, and conceptually neutral;
- the earlier mark is inherently distinctive to a high degree.

50. Taking into account the above factors, I am persuaded that there is no likelihood of direct confusion even for those goods that I have found to be of medium similarity. Notwithstanding the principle of imperfect recollection, it is my view that the average consumer will notice and remember the visual differences between the marks “CAZOO/CARKOO”, aiding them in distinguishing the marks. The lack of a conceptual hook in this case will be also a factor that would point against confusion. In this regard, and despite the high distinctiveness of the earlier mark, I consider that the average consumer will not overlook the differences between the competing marks, and, thus, it is unlikely to mistake one mark for the other.

51. In terms of indirect confusion, even when the differences between the marks are identified by the average consumer, I cannot see a reason why the average consumer would put the common use of the common letters, ‘CA-’ and ‘-ZOO’, with different middle letters as linking the two marks by way of the same or an economically linked undertaking. I find that the guidance given in *Duebros* is appropriate in this case, namely that an average consumer may merely associate the common letters in the marks but would not confuse the two. Thus, I consider that there is no likelihood of indirect confusion.

OUTCOME

52. The application for invalidation has been unsuccessful. **The registered trade mark will remain registered, subject to an appeal against this decision.**

COSTS

53. The registered proprietor has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 1/2023. I award costs to the registered proprietor as a contribution towards the cost of the proceedings on the following basis:

Considering the other side's statements and preparing counterstatements	**£400**
Total	**£400**

54. I, therefore, order CAZOO LTD to pay Shenzhen Ruixin Digital Technology Co.,Ltd. the sum of £400. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 16th day of July 2024

Dr Stylianos Alexandridis
For the Registrar,
The Comptroller General