

O/0723/24

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 3761753
BY WALKWITHSTEP LTD
TO REGISTER THE FOLLOWING TRADE MARK:**

STEP

IN CLASS 9

AND

**AN OPPOSITION THERETO UNDER NUMBER 435131
BY GUNTHER MARKTL**

BACKGROUND AND PLEADINGS

1. On 4 March 2022, WALKWITHSTEP LTD (“the applicant”) applied to register “STEP” as a trade mark in the UK under number 3761753 (“the contested mark”). The application was accepted and published for opposition purposes on 22 April 2022 and registration is sought for the following goods:

Class 9 *Software; Software applications; Mobile apps; Mobile software; Mobile app's; all of the aforesaid goods being exclusively for tracking and monitoring exercise and fitness activity rewards.*

2. On 21 July 2022, Gunther Marktl (“the opponent”) opposed the application in full, based upon sections 5(2)(b), 5(3), 5(4)(a), 3(1)(b) and 3(1)(c) of the Trade Marks Act 1994 (“the Act”).¹ Under sections 5(2)(b) and 5(3), the opponent relies upon trade mark number UK00915179989 (“the earlier mark”), which has a filing date of 3 March 2016 and a registration date of 15 September 2016.² A representation of the earlier mark is below:



3. Given its earlier filing date, the opponent’s mark is an earlier mark in accordance with section 6(1) of the Act. Further, in accordance with section 6A of the Act, the earlier mark is subject to proof of use; the opponent made a statement of use relating to all the goods and services relied upon.

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.

² This mark is a comparable mark and so retains the filing date of the EU trade mark from which it was created.

4. Under section 5(2)(b), the opponent claims that there is a likelihood of confusion on the basis that its earlier mark is visually and aurally highly similar to the contested mark and that the respective goods and services are identical or similar. The opponent relies upon the following goods and services:

Class 9 *Computer software; Databases (electronic); Computer software applications, downloadable; Computer software, in particular for smartphones; Applications for smartphones.*

Class 41 *Providing of training; Entertainment; Sporting and cultural activities.*

Class 42 *Scientific and technological services and research and design relating thereto; Design and development of computer hardware and software.*

5. Under section 5(3) the opponent claims to have a significant reputation in its earlier mark for the following goods and services:

Class 9 *Computer software applications, downloadable; Computer software, in particular for smartphones; Applications for smartphones.*

Class 41 *Providing of sporting activities via online software.³*

6. In its notice of opposition (at Section B, Question 3), the opponent's statement of grounds in relation to section 5(3) reads as follows:

"In the UK the Opponent holds 21% of the market share with regard to step counting software marketed under its mark, with approximately 7.7 K users per minute. In light of this the Opponent has a significant reputation with regard to the relevant public. Therefore there is a high likelihood of the relevant public thinking the goods marked with the opposed mark come from the same economic undertaking. Therefore use of the objected mark on identical or

³ This is not a term listed in the earlier mark's specification. However, as will become apparent, this has no impact on the section 5(3) ground of opposition.

similar goods is likely to lead to confusion and association in the minds of the public. In light of this the Opponent requests that the opposed application is refused in respect of the objected to goods under Section 5(3) of the 1994 Trade Marks Act.”

7. At Questions 4, 5 and 6, the notice of opposition asks if there is any basis, other than as answered at Question 3, for the three heads of damage under section 5(3), i.e., unfair advantage, detriment to the reputation, and detriment to the distinctive character, respectively. The opponent left these questions blank.

8. I will return to the opponent’s pleadings under section 5(3) when addressing this ground of opposition later in this decision.

9. Under section 5(4)(a), the opponent relies on the unregistered sign “STEPS APP” which it claims to have used throughout the UK since 2015 in relation to the following goods and services:

Class 9 *Computer software; Databases (electronic); Computer software applications, downloadable; Computer software, in particular for smartphones; Applications for smartphones.*

Class 41 *Providing of training; Entertainment; Sporting and cultural activities.*

Class 42 *Scientific and technological services and research and design relating thereto; Design and development of computer hardware and software.*

10. The opponent claims to have generated a goodwill in the “STEPS APP” sign and that use of the contested mark would constitute a misrepresentation to the public that would damage the opponent’s goodwill and reputation. Therefore, use of the mark would be contrary to the law of passing off.

11. Under sections 3(1)(b) and (c), the opponent claims that the contested mark, “STEP”, is devoid of distinctive character and descriptive of all the goods in the application, on the basis that:

“The word step with regard to computing means one of a series of actions a programme does which forms part of a process. The word step has the definition with regard to movement of “the act of lifting your foot and putting it down in order to walk or move somewhere”. The trade mark is entirely descriptive of computer software applied to walking which includes a step count function or includes one or more steps as part of its process.”

12. The applicant filed a defence and counterstatement essentially denying each ground of opposition. The applicant did not request proof of use of the earlier mark, the consequence being that the opponent may rely upon all the goods and services identified for the purposes of this opposition.

13. The opponent is represented by Bromhead Johnson LLP and the applicant by Trama Legal s.r.o.

14. During the evidence rounds, the opponent filed evidence in chief and the applicant filed evidence in chief and written submissions. The opponent filed written submissions in reply. Neither party requested a hearing, nor did they file written submissions in lieu. This decision is taken following a careful consideration of all the papers before me.

EVIDENCE AND SUBMISSIONS

15. The opponent filed evidence in chief in the form of four witness statements, those of: Michael David Spencer, Gunther Marktl, Isabella Hoedl and Katy Whymark, and their respective exhibits.

16. Mr Spencer’s witness statement is dated 1 February 2023 and introduces seven exhibits (MDS1 – MDS7). Mr Spencer is a Chartered Trade Mark Attorney at the opponent’s legal representative firm. Mr Spencer’s witness statement contains very little narrative; other than containing submissions, it is merely a vehicle for introducing seven exhibits, which briefly comprise: third party use of the word ‘steps’, dictionary definitions of the word ‘step’, third party trade mark registrations, and search results on an online application store for the word ‘step’.

17. Mr Marktl's witness statement, written in German, is dated 1 February 2023 and introduces six exhibits (GM1 – GM6). Exhibit GM6 contains an English translation of Mr Marktl's witness statement. Mr Marktl is the opponent: his witness statement provides background on the history of the company 'StepsApp', of which he is shareholder and CEO. The exhibits briefly comprise: various download figures for the opponent's 'StepsApp' application, and availability and other information for the same application.

18. Ms Hoedl's witness statement is dated 30 January 2023 and introduces four exhibits (IH1 – IH4). Ms Hoedl is an Attorney-at-law and owner of the law firm IPHoedl and is the opponent's Austrian Trade Mark Attorney. The exhibits briefly comprise: a copy of the registration of the earlier mark (relied upon in this decision) at the EUIPO, as well as copies of the refusal and associated decision of the opponent's application at the EUIPO of the word mark "STEPSAPP". The narrative evidence and the translated decision (Exhibit IH4) state that "STEPSAPP" was refused on the basis that it was descriptive and non-distinctive.

19. Ms Whymark's witness statement is dated 13 March 2023 and introduces four exhibits (KW1 – KW4). Ms Whymark is a professionally qualified translator: her witness statement details her education and qualifications, and the attached exhibits are English translations of the German exhibits introduced by the witness statements of Mr Marktl and Ms Hoedl.

20. The applicant filed evidence in chief in the form of the witness statement of Adrianna Magdalena Zatonska dated 5 June 2023 and its corresponding four exhibits (AMZ1 – AMZ4). Ms Zatonska is an independent contractor working at the applicant's legal representative firm. The exhibits briefly comprise: copies of the opponent's trade mark registrations at the UKIPO, screenshots of the opponent's website, and search results on an online application store for 'stepsapp'. The applicant also filed written submissions on 5 June 2023.

21. The opponent filed written submissions in reply, dated 11 September 2023, aimed at refuting parts of the applicant's evidence in chief and submissions.

22. I will refer to the parties' evidence and submissions where relevant to the issues I have to decide.

DECISION

Sections 3(1)(b) and (c)

23. Sections 3(1)(b) and (c) of the Act state:

“3 (1) The following shall not be registered –

(a) [...]

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) [...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

24. The relevant date for determining the above grounds of opposition is the date on which the application for the contested mark was filed: 4 March 2022.

25. I will start with the section 3(1)(c) ground because this goes to the heart of the opponent's case, which is that “STEP” is descriptive of computer software applied to walking, on the basis that the word ‘step’ has two relevant meanings: (i) a series of

actions a programme does in regard to computing, and (ii) the act of lifting your foot and putting it down in order to walk.

26. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), see, by analogy, [2004] ECR I-1699, paragraph 19; as regards Article 7 of Regulation No 40/94, see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18, paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461, paragraph 24).

[...]

36. [...] [D]ue account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia, *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P)

[2004] E.C.R. I-5089; [2005] E.T.M.R. 44, paragraph 45, and *Lego Juris v OHIM* (C-48/09 P), paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (*Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and *Case C-363/99 Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”

27. The dictionary definitions at Exhibit MDS2 of the word ‘step’ include several meanings of that word; I consider only one of them to be relevant here: “**1a** the complete movement of one leg in walking or running (*took a step forward*). **b** the distance covered by this.” This accords with my own understanding of the definition of ‘step’ and it is my view that this definition will be understood by the vast majority of people in the UK. I am satisfied that the word ‘step’ can be used to describe the movement involved in walking.

28. The applicant argues that its “STEP” mark “does not refer to the mere activity of walking, i.e. placing your feet on the ground and making steps but the whole unique concept of earning rewards while performing fitness activity”.⁴ It also argues that ‘step’ “can be understood in different ways [...] a unit of movement in dancing, the increment

⁴ See the continuation sheet of the applicant’s counterstatement.

of a staircase [...] etc”.⁵ However, as per *OHIM v Wrigley* and *Koninklijke* (cited above), only one of the possible meanings of a sign is required to be descriptive for it to be objectionable under section 3(1)(c). One of the meanings of ‘step’ is that which I have described in the previous paragraph and so the applicant’s argument here is not persuasive.

29. I now turn to the applied-for goods, which essentially comprise software for tracking and monitoring exercise and fitness activity rewards. In its counterstatement, the applicant makes the following submission in relation to the purpose of the application: “On the other hand, the Applicant’s website clearly presents an app aimed at earning crypto while tracking fitness activity”.⁶ For the purpose of section 3(1)(c), as per the case law cited above, it is the goods listed in the specification that are relevant, and not the specific purpose outlined by the applicant.

30. It is incontestable that walking is a form of exercise and therefore capable of being tracked and monitored using the applicant’s software goods. Given that ‘step’ describes the movement involved in walking and that walking is a form of exercise capable of being tracked and monitored, it is reasonable to believe that the relevant persons will see ‘step’ as a description of the purpose of the applicant’s goods, i.e., software that tracks and monitors the user’s steps. That the software may also track and monitor rewards does not alter this finding.

31. The applicant has drawn distinctions between its “STEP” mark and “STEPS APP”: “the concept [of ‘step’] is distinctive in contrast to the Opponent’s Mark in which both words combined together (sic) “STEPS APP” suggest that it is an application to measure steps.”⁷ However, it is irrelevant whether there are other, more usual, signs (“STEPS APP”, for example) for designating the same characteristics of the goods.⁸ That does not preclude a finding that the mark at issue also is descriptive for those characteristics of the goods.

⁵ Paragraph 9 of the applicant’s written submissions dated 5 June 2023.

⁶ See the continuation sheet of the applicant’s counterstatement.

⁷ See the continuation sheet of the applicant’s counterstatement.

⁸ *Koninklijke* (cited above).

32. The applicant's submissions refer to "numerous applications on the market containing the word 'STEP'"⁹ and Exhibit AMZ4 contains search results of an unknown 'App Store' for applications containing the word 'step'.¹⁰ However, it is of no relevance to know the number of competitors who have, or might have, an interest in using the word 'step' because the section 3(1)(c) ground for refusal does not depend on there being a real, current or serious need to leave a sign free.¹¹

33. I uphold the opponent's opposition under section 3(1)(c) in relation to all the goods in the application.

34. I turn now to the section 3(1)(b) ground of opposition. In *SAT.1 SatellitenFernsehen GmbH v OHIM*, Case C-329/02 P, the Court of Justice of the European Union ("CJEU") stated that:

"25. Thirdly, it is important to observe that each of the grounds for refusal to register listed in Article 7(1) of the regulation is independent of the others and requires separate examination. Moreover, it is appropriate to interpret those grounds for refusal in the light of the general interest which underlies each of them. The general interest to be taken into consideration when examining each of those grounds for refusal may or even must reflect different considerations according to the ground for refusal in question (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-0000, paragraphs 45 and 46)."

35. The opponent makes no independent claims as to why the mark is non-distinctive other than because it is claimed to be descriptive. This points to there being no need to consider the section 3(1)(b) ground separately to the section 3(1)(c) ground. Insofar as the contested mark is objectionable under section 3(1)(c) because it is descriptive

⁹ Paragraph 16 of the applicant's written submissions dated 5 June 2023.

¹⁰ The applicant makes the same argument in relation to a likelihood of confusion under section 5(2)(b). However, in accordance with *Zero Industry v OHIM* Case T-400/06, the state of the register is not relevant since it does not indicate how many of those trade marks are used in the market, nor is it sufficient to establish that the distinctive character of the relevant element (in this case, 'step') has been weakened because of its frequent use.

¹¹ *Windsurfing Chiemsee* and *Koninklijke* (cited above).

of the goods in the application, it is also objectionable under section 3(1)(b) because it is non-distinctive for the same goods.

Section 5(2)(b)

36. Section 5(2)(b) of the Act 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.”

Relevant law

37. The following principles are gleaned from the decisions of the CJEU 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 B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v 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-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(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 goods

38. In *Gérard Meric v OHIM*, the General Court (“GC”) confirmed that even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):¹²

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM*- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

39. The competing goods are shown in the table below:

The opponent’s goods ¹³	The applicant’s goods
Class 9: <i>Computer software; Databases (electronic); Computer software applications, downloadable; Computer software, in particular for smartphones; Applications for smartphones.</i>	Class 9: <i>Software; Software applications; Mobile apps; Mobile software; Mobile app's; all of the aforesaid goods being exclusively for tracking and monitoring exercise and fitness activity rewards.</i>

40. The opponent’s *computer software* and *computer software applications, downloadable* are identical to the applicant’s *software* and *software applications*, respectively. The applicant’s *mobile apps/app’s*¹⁴ and *mobile software* are identical to the opponent’s *applications for smartphones* and *computer software, in particular for*

¹² Case T-133/05.

¹³ It is necessary only to refer to the opponent’s Class 9 goods in this section.

¹⁴ These are two terms in the applicant’s specification that refer to identical goods.

smartphones, respectively. In line with *Meric*, all of the applicant's goods fall within the scope of the opponent's goods, or vice versa: they are, therefore, identical. That the applicant's goods are exclusively for "tracking and monitoring exercise and fitness activity rewards" is not relevant since the opponent's goods could be used for the same purpose.

The average consumer and the purchasing act

41. It is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

"60. 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."

42. The average consumer of the goods is a member of the general public who is seeking the use of software for monitoring their exercise and associated rewards. The applicant claims that the level of attention is "slightly higher" (which I take to mean slightly higher than average) on the basis that the users of the goods receive rewards such as cryptocurrency, a topic which requires "an already acquired awareness". There is nothing in the applicant's specification to suggest cryptocurrency is relevant and so this argument is not persuasive. In selecting the software, consumers will consider the cost, features and suitability for their needs, attracting a medium level of care and attention. The selection process will involve mainly visual considerations, with consumers being exposed to the marks in advertising, on websites and on mobile

applications. I do not discount the potential for aural considerations to be relevant on the basis of word-of-mouth recommendations.


Comparison of marks

43. It is clear from *Sabel* that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo*, 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 relevant 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.”

44. It would be wrong, therefore, to dissect the trade marks artificially, although it is necessary to take into account the distinctive and dominant components of the trade 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.

45. The trade marks to be compared are as follows:

The earlier mark	The contested mark
	STEP

46. The earlier mark is figurative and contains the textual component 'STEPSAPP', written mainly in white in a slightly stylised font. The letter 'E' is missing the vertical line and is represented as three horizontal lines, possibly meaning to represent a set of steps, though not all consumers will immediately notice this. The top of the letters 'S', 'T' and 'E' are joined together. Underlining the letters and in place of the letter 'A' is what appears to be a cardiogram device, in blue, with the heartbeat representing the letter 'A'. All of these elements are presented on a black, rectangular background. Given the interplay between the two elements, the textual component and the cardiogram device are equally dominant in the mark, with the black rectangle playing a much lesser role. The mark's distinctiveness lies in the 'get-up' of the mark as a whole, a point I will return to later in this decision.

47. The contested mark is in word-only format and consists of the word "STEP". As there are no other elements, the overall impression lies in the word itself.

48. Visually, the competing marks are similar to the extent that they share the letters 'STEP', though the joining of three of the letters and the stylisation to the letter 'E' create visual difference, as do the remaining elements of the earlier mark: the letters 'APP', the blue cardiogram device and the black background. Overall, I consider there to be no more than a medium degree of visual similarity between the marks.

49. The earlier mark will be pronounced as two separate words, 'steps' and 'app', as two syllables. The word "STEP" in the contested mark will be given its ordinary English pronunciation as one syllable. Overall, I consider the marks to be aurally similar to a medium to high degree.

50. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM*.¹⁵ The assessment must be made from the point of view of the average consumer.

¹⁵ [2006] e.c.r.-I-643; [2006] E.T.M.R. 29

51. Whilst I am mindful of the comments of Professor Phillip Johnson sitting as the Appointed Person in *Emiliana*:¹⁶ “assessing the conceptual similarity [...] is usually done without reference to the goods”,¹⁷ in my view, the descriptive (or allusive) nature of the words in each mark causes the goods at issue here to clearly inform the meaning of the marks. Given the goods for which it is registered, the earlier mark “STEPS APP” will bring to mind a software application related to steps. Bearing in mind the applied-for goods, the contested mark will bring to mind the definition of the word ‘step’ discussed earlier in this decision, i.e., the movement involved in walking. On the basis of the shared concept of ‘step/s’ (‘steps’ being the plural of ‘step’), the marks are conceptually similar to a high degree.

Distinctive character of the earlier mark

52. In *Lloyd Schuhfabrik Meyer* the CJEU stated that:

“22. 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 *WindsurfingChiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. 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

¹⁶ BL O/054/22.

¹⁷ At [62].

originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

53. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use that has been made of it.

54. I will address the earlier mark’s inherent distinctive character first. The textual element, “STEPSAPP”, makes it immediately clear to consumers that the goods are software/applications related to steps, rendering it descriptive of some goods/services in the registration and allusive for others. The opponent makes a similar argument itself in order to demonstrate the descriptive nature of the word ‘step’.¹⁸ The distinctiveness of the mark lies in the combination of the words, the cardiogram device and the stylisation of the mark as a whole. In my view, the earlier mark is inherently distinctive to a low degree.

55. I turn now to consider whether the distinctiveness of the earlier mark has been enhanced through use. The only evidence going to the use of the earlier mark is provided by Mr Markt’s witness statement and associated exhibits. Put simply, the opponent’s ‘STEPSAPP’ application was created in 2015 and was downloaded 2.01million times in the UK between September 2015 and January 2023;¹⁹ during that time, the opponent achieved a revenue of 578,451 US dollars in the UK.²⁰ Firstly, it is not clear whether the earlier mark is actually used in relation to the ‘STEPSAPP’ application because the mark does not feature in any of the exhibits. Secondly, the evidence is wholly inadequate for me to determine the proportion of the relevant public which recognises the opponent’s goods as originating from the opponent, because of the earlier mark. Whilst the download figures are not insignificant, neither are they

¹⁸ The opponent’s statement of grounds and the witness statement of Isabella Hoedl at [3] together with Exhibit IH4.

¹⁹ Mr Markt’s witness statement at [5] and Exhibit GM2.

²⁰ Mr Markt’s witness statement at [4].

overwhelming for a period of more than seven years. In the same period, a revenue of 578,451 US dollars is even less substantial. I also note that the download figures and revenue relate to a period covering almost a year after the relevant date (being March 2022) and the possibility, therefore, of a proportion of the figures relating to after the relevant date. There is no evidence going to the share of the relevant market the opponent holds,²¹ nor the geographical spread across the UK of the use of the mark. Further, there is no evidence of advertising, nor any figures provided for the amount spent on marketing the goods under the earlier mark. Taking the evidence as a whole, it does not demonstrate that the earlier mark's distinctiveness has been enhanced by way of the use made of it.

Likelihood of confusion

56. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle, i.e., a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent's trade mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

²¹ In its counterstatement, the opponent makes contradictory claims as to market share. At Section B, Question 3 it states, "In the UK the Opponent holds 21% of the market share with regard to step counting software marketed under its mark, with approximately 7.7 K users per minute". At Section C, Question 4 it states, "The UK comprises 21% of the Opponent market share, with approximately 7.7 K users per minute in the UK". It is unclear whether the opponent is claiming to hold 21% of the share of the relevant market (step counting software) or whether the UK makes up 21% of the opponent's market. Without further clarification or corroboratory evidence, I am not satisfied to assume the former. Regardless, the evidence would remain insufficient for a finding of enhanced distinctive character on the basis of the other deficiencies discussed.

57. I have found the marks to be visually similar to no more than a medium degree, aurally similar to a medium to high degree and conceptually highly similar. I have found the earlier mark to have a low degree of inherent distinctive character, which has not been enhanced through use. I have identified the average consumer to be a member of the general public, who will pay a medium degree of attention to a mainly visual purchase, though I do not discount an aural element to the purchase. I have found the goods at issue to be identical.

58. Notwithstanding the principle of imperfect recollection, I consider that there are sufficient visual and aural differences between the marks to avoid them being mistakenly recalled as one another. Whilst the marks are aurally similar to a medium to high degree, the purchase is mainly visual and I am of the view that the additional elements in the earlier mark – the letter ‘s’ at the end of the word ‘step’, the additional word ‘app’, the cardiogram device and the stylisation of the mark as a whole – will enable the average consumer to differentiate between them. The textual element and the device are dominant in the mark but whilst the black background and the stylisation play a lesser role, none of the elements are negligible to the effect that the average consumer would entirely forget or misremember them. I bear in mind that the beginnings of words tend to have more visual and aural impact than the ends²² and that both marks begin with the word ‘step’. However, given the differences between the marks, I am satisfied that this is not persuasive in these circumstances. Even accounting for the identical goods, I do not consider there to be a likelihood of direct confusion.

59. I go on now to consider whether the average consumer, having recognised that the marks are different, considers the common element of both marks (‘step’) and determines, through a mental process, that the marks are related and originate from the same, or an economically linked undertaking.

²² *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02.

60. Indirect confusion was described in the following terms by Iain Purvis QC (as he then was), sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc.*²³

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

²³ BL O/375/10.

(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).”

61. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that “a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion”. Arnold LJ agreed, pointing out that there must be a “proper basis” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

62. During the course of this decision I have explained that the common element ‘step’ results in conceptual similarity to a high degree, but that the earlier mark has a low degree of inherent distinctive character due to the allusive or descriptive nature of “STEPSAPP”. I have also found (under section 3(1)(c)) that the contested mark is descriptive. Thus it is far more likely that it will be seen as a coincidence that two entities incorporate the ordinary word ‘step’: it is not so strikingly distinctive that consumers would assume that the contested mark is a variant of the earlier mark, or vice versa. Whilst the word ‘app’, solus, is a non-distinctive element, that is not the only additional element; the earlier mark comprises multiple elements that do not feature in the contested mark and, when viewed as a whole, those are not consistent with a brand extension or a sub-brand. The differences between the marks are enough, even bearing in mind the identical goods, for the consumer not to be confused: the contested mark is simply another undertaking using the word ‘step’, unrelated to the opponent. There is no likelihood of indirect confusion.

63. The section 5(2)(b) ground of opposition fails.

Section 5(3)

64. Section 5(3) states:

“(3) A trade mark which-

is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

65. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oréal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph

68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oréal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74* and *the court's answer to question 1 in L'Oréal v Bellure*).

66. The conditions of section 5(3) are cumulative. First, the marks at issue must be identical or similar. Secondly, the opponent must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the contested mark. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods/services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

67. I can deal with this ground fairly swiftly. I have set out the opponent's claim under this ground at paragraphs 6 and 7, above. The opponent's pleaded case lacks any claim of damage. I refer to the case of *Intel*, Case C-408/01: the owner of the earlier mark must establish the existence of one or more of the relevant types of injury: unfair advantage, detriment to the reputation, or detriment to the distinctive character. Even if I were satisfied that the opponent had succeeded in demonstrating a reputation and the existence of a link between the marks, the opponent has failed to claim damage. As a result, the opponent's claim under this ground cannot succeed.

68. However, even if I were to determine that one of the types of damage would occur, the opponent's case falls at the first hurdle. I recall that I found the opponent's evidence insufficient to establish that the distinctive character of the earlier mark had been enhanced through use, at paragraph 55. The factors that were relevant in that assessment are also the ones that I must consider when deciding whether the earlier mark has a reputation and so the criticisms of the opponent's evidence apply equally here. The evidence is simply not sufficient for me to make such a finding.

69. The section 5(3) ground of opposition is dismissed.

Section 5(4)(a)

70. Section 5(4)(a) states:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

71. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

Relevant law

72. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a Deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant date

73. In *Advanced Perimeter System Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC (as he then was), as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

74. The applicant has not filed evidence of use of its mark. Consequently, the relevant date for this opposition is the date of the application, i.e., 4 March 2022.

Goodwill

75. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

76. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd.'s Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

77. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered or passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

78. Bearing in mind my summary and assessment of the evidence with regards to an enhanced distinctive character and a reputation, I am not satisfied that the opponent has demonstrated a protectable goodwill in its earlier mark in relation to the goods and services relied upon. I bear in mind that for signs which lack distinctiveness, significant evidence is required to demonstrate goodwill.²⁴ The evidence only demonstrates the number of downloads of the “STEPSAPP” application (2.01 million in the UK between September 2015 and January 2023) and a revenue of 578,451 US dollars in the same period. There is no evidence as to the geographical spread of the use of the mark, there are no examples of advertising, no marketing expenditure and no evidence as to the market share held by the opponent. The evidence is insufficient for a finding of goodwill.

79. Even if I am wrong in my assessment of the evidence for goodwill, the opponent relies upon “STEPS APP” in word-only format under this ground. I have already found that these words are either allusive or descriptive. For the goods for which use has been shown in evidence (an application for counting steps), the sign relied upon by the opponent is purely descriptive. The words alone (i.e., without the device element and stylisation of the earlier mark relied upon under sections 5(2)(b) and 5(3)) are not capable of performing the essential function of a trade mark, which is to enable customers to distinguish goods or services of one undertaking from those of another undertaking. As such, if a mark cannot be used as a trade mark, it cannot possibly have accrued goodwill as a trade mark because use of a sign relied upon under

²⁴ *McCain International Limited v Country Fair Foods Limited and Another* [1981] R.P.C. 69 (COA)

passing off must relate to use of the mark for the purposes of distinguishing goods or services.

80. For all the reasons discussed above, the opponent has not shown to have had a protectable goodwill in “STEPS APP” at the relevant date. The section 5(4)(a) ground is dismissed.

CONCLUSION

81. The opposition under sections 5(2)(b), 5(3) and 5(4)(a) fails. However, the opposition has succeeded under sections 3(1)(b) and (c) and the application is refused in its entirety.

COSTS

82. The opponent has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. I award the opponent costs on the following basis:

Official fee:	£200
Preparing a statement and considering the other side’s statement:	£350
Preparing evidence and submissions and considering the other side’s evidence and submissions:	£650
Total	£1200

83. I therefore order WALKWITHSTEP LTD to pay Gunther Marktl the sum of £1200. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the final determination of the appeal proceedings.

Dated this 31st day of July 2024.

**MRS E FISHER
For the Registrar**