

O/0768/24

TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. WO0000001661740

DESIGNATING THE UK

IN THE NAME OF IMPERATIVE CARE, INC.

FOR THE TRADE MARK:

IKON

IN CLASS 10

AND

IN THE MATTER OF THE OPPOSITION THERETO

UNDER NO. 435954

BY KONINKLIJKE PHILIPS N.V.

BACKGROUND AND PLEADINGS

1. International Registration no. WO0000001661740 (“the IR/application”) consists of the trade mark shown on the cover page of this decision. The holder is IMPERATIVE CARE, INC. (“the applicant”).

2. The IR is registered with effect from 13 April 2022 but claims a priority date of 14 October 2021. With effect from 13 April 2022, the applicant designated the UK as a territory in which it seeks to protect the IR under the terms of the Protocol to the Madrid Agreement. The applicant seeks protection for the goods listed below:

Class 10: *Medical devices, namely, catheters, stents, guidewires, wearable monitors for monitoring vital signs, stroke rehabilitation devices in the nature of physical, cognitive, and speech-language-pathology rehabilitation devices; digital health devices in the nature of digital monitoring devices, for use in telemedicine, and for use in behavioral health and community health, for monitoring biomarkers of patients; medical devices for the detection, diagnosis, and treatment of strokes, and physical and neuro rehabilitation devices for use with stroke patients; medical devices, namely, access catheters for the introduction of interventional medical devices into the peripheral, coronary, and neuro vasculature; interventional medical catheters for use in the peripheral, coronary, and neuro vasculature; access sheaths for use in the brain of a patient; medical sheaths and catheters for use in neurovascular, cardiovascular and peripheral vascular procedures; aspiration catheters for use in the vascular system; medical devices, namely, catheters for vascular use; access catheters for the introduction of interventional medical devices into the peripheral, coronary, and neuro vasculature; interventional medical catheters for use in the peripheral, coronary, and neuro vasculature; none of the foregoing goods being for dental use or in relation to computerized tomography (CT) scanning machines.*

3. On 31 August 2022, Koninklijke Philips N.V. (“the opponent”) opposed the protection of the IR in the UK based upon Sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). Under both grounds, the opponent relies on the following trade mark

registration (“the earlier mark”) and some of the goods covered by the same, as shown below:

UK00801203720

IQON

Filing date: 18 March 2014

Registration date: 22 July 2015

Priority date: 17 October 2013

Class 10: *Medical apparatus and instruments, namely imaging apparatus and instruments.*

4. Under Section 5(2)(b) the opponent claims that the marks are similar and that the goods are identical or similar, with the result that there is a likelihood of confusion.

5. Under Section 5(3), the opponent claims that the earlier mark IQON enjoys a substantial reputation within the UK and worldwide generally in relation to high quality, unique imaging apparatus and related goods and services. The opponent asserts that by virtue of the similarity in the respective marks, and the extent of the reputation in the earlier mark, the average consumer will believe that any medical apparatus and instruments provided by the applicant will be an offshoot of the opponent’s IQON brand, believing there to be an economic connection between the two entities. This, the opponent states, will result in the applicant taking unfair advantage of the reputation enjoyed by the opponent in the earlier mark. Further, by virtue of the opponent having no control over the use of the opposed mark and the conduct of the applicant and related or associated activity, the opponent’s reputation for high quality, one-of-a-kind imaging apparatus and related goods will be adversely affected if the applicant’s goods are of lesser quality and attract adverse publicity, causing detriment to the reputation of the earlier trade mark.

6. Since it was applied for at an earlier date than the priority date of the contested mark, the trade mark upon which the opponent relies qualifies as an earlier trade mark pursuant to Section 6 of the Act. As the earlier mark had been registered for more than five years at the priority date of the contested mark, it is subject to the use conditions pursuant to Section 6A of the Act.

7. The applicant filed a counterstatement, denying the claims made and putting the opponent to proof of use of the earlier mark in relation to all of the goods relied upon in the opposition.

8. The opponent is represented by Elkington and Fife LLP. The applicant is represented by Bird & Bird LLP. Only the opponent filed evidence during the evidence rounds. It also filed written submissions dated 9 March 2023. A hearing took place before me on 30 May 2024, by video conference. The opponent was represented by Chris McLeod and the applicant by Robert Milligan.

THE EVIDENCE

9. The opponent's evidence came in the form of a witness statement from Mark Eric Olszewski dated 8 March 2023. Mr Olszewski is Global-Management Leader, Computed Tomography of the opponent, a position which he has held since 1 October 2018. His statement is accompanied by nine exhibits labelled MEO 01-09.

10. I do not intend to summarise the opponent's evidence in full here. However, I confirm that I have taken all filed documents into account and will summarise them to the extent that I deem necessary below.

RELEVANCE OF EU LAW

11. 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.

DECISION

Proof of use

12. Section 6A of the Act states:

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

- (a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or

not the trade mark in the variant form is also registered in the name of the proprietor), and

- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

13. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

14. The relevant period in which genuine use must be established is the five-year period ending with date of the priority claimed for the application for registration: 15 October 2016 to 14 October 2021. As the earlier mark subject to proof of use is a comparable mark, use within the EU (including the UK) is relevant for the part of the relevant period which falls prior to IP Completion Day (i.e. 31 December 2020).¹ Only use in the UK will be relevant after that date.

15. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable

¹ See paragraph 7 of Part 1, Schedule 2A of the Act.

number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation

has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

16. With regards to assessing use within the EU (which is relevant due to the earlier mark being a ‘comparable mark’), I also bear in mind that in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the CJEU found that while use of a Community trade mark in one member state could suffice to establish genuine use in the Community, “*all facts and circumstances*” should be considered including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use, as well as its frequency and regularity.²

The evidence

17. Mr Olszewski says that the opponent is the proprietor of various trade marks worldwide, including the IQON mark and the well-known PHILIPS mark and indirectly owns several Philips companies and businesses across the world, including Philips Healthcare.

18. Mr Olszewski says that the IQON brand is used in connection with a product described as “IQON Spectral CT Scanner” and has been in use in the EU and UK since December 2013. The evidence filed consistently shows that the mark used is ‘IQon’ with the elements “IQ” and “on” separated by the use of upper-case and lower-case letters. The evidence also shows that the mark ‘IQon’ is a secondary mark used in conjunction with the opponent’s primary mark Philips. Further, the evidence suggests that the visual emphasis on the element “IQ” created by the use of upper-case letters is meant to convey the subliminal if not overt message that the technology

² See also *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52 (paragraphs 228-230) and Case T-398/13, *TVR Automotive Ltd v OHIM* (paragraph 57)

incorporated in the goods offers intelligent solutions to medical diagnosis.³ It appears therefore that the emphasis on the sequence 'IQ' is a play on words, based on the meaning of IQ as intelligence quotient. However, since Mr Milligan accepted at the hearing that the use of the mark 'IQon' is an acceptable variant of the registered mark 'IQON', I do not need to dwell on the question of whether the use of upper-case and lower-case letters alters the distinctive character of the mark as registered. There has been what is, Mr Milligan having conceded it, use of the opponent's mark in an acceptable variant.

19. Despite that concession, Mr Milligan's position at the hearing was that the evidence produced is not sufficient to establish genuine use of the earlier mark during the relevant period in connection with the goods covered by the mark. In this connection, Mr Milligan made a number of last-minute criticisms of the opponent's evidence which were not disclosed until the hearing. Admittedly, last-minute challenges to the evidence of a witness may be unfair if they deprive the witness of the opportunity of explaining any contradiction or alleged problem with his evidence. Some of Mr Milligan's criticisms pointed to what can be seen on the face of the evidence, for example, he argued that some exhibits are dated outside the relevant period, use the US spelling and/or relate to a website targeting Australia,⁴ the inferred conclusion being that the documentation complained of does not establish use of the earlier mark in the UK within the relevant period. Other criticisms put forward by Mr Milligan relate to the absence of invoices and/or purchase orders evidencing sales, with Mr Milligan arguing that the draft quotations exhibited at MEO3 do not establish that any sales had taken place. I do not consider these challenges to be unfair as they refer to aspects of the evidence which are obvious.

20. It is true that it should not be difficult for the proprietor of a trade mark to provide or submit invoices that would support the contention that the mark has been put to genuine use. However, in this case the earlier mark has not been used in relation to ordinary consumer goods. As Mr Olszewski explained in his witness statement, the IQON Spectral CT scanner is not marketed or sold to general customers. It is a

³ See ME08, copy of an article published on www.healthcare-in-europe.com where it is stated "Philips gives spectral CT an IQ with detector-based approach"

⁴ ME04 which exhibits webpages from www.philips.com.au

computerized tomography (CT) scanner used by doctors and clinicians to diagnose health conditions and its target public are hospitals and businesses providing healthcare services. According to Mr Olszewski, the IQON Spectral CT scanner is a highly specialised product, and due to its nature and the expense of its manufacturing, the opponent manufactures only 40 scanners a year. Further, Mr Olszewski says that the product sells for over £700,000 per unit and it is sold together with a service contract for the maintenance and repair which is worth approximately £4.5million.

21. Mr McLeod did not address me about the lack of invoices, but he correctly pointed out that where there is a witness statement which is not challenged under cross-examination or with evidence to the contrary (which is the case here), it has to be taken, subject to any discrepancies which might be perceived, at face value. These comments were prompted by Mr Milligan’s criticisms of the evidence insofar as he identified some apparent discrepancies between the evidence of turnover and the evidence about the number of goods installed. During the course of his oral submissions, Mr Milligan in fact contended that there was an inconsistency between the following table⁵ which sets out that between October 2017 to October 2021 there were 9 IQON Spectral CT scanners installed in the UK, and the opponent’s own evidence that (a) the unit price paid for IQON Spectral CT scanners is £700,000 and (b) the value of the sales of IQON Spectral CT scanners for the period 2017-2022 was in excess of £48million:

Date of Installation	Location
13/04/2017	Ulster Community HSS Trust – Newtownards (NI)
23/04/2018	Belfast Health & Social Care Trust – Belfast (NI)
30/03/2020	Siemens Healthcare Ltd – Slough (England)
12/10/2020	Siemens Healthcare Ltd – Slough (England)
17/03/2020	Belfast Health & Social Care Trust – Belfast (NI)
29/01/2021	South Eastern Health and Social – Dundonald (NI)
17/09/2021	Rutherford Infrastructures Limited – Hereford (England)
14/05/2021	Stockport NHS Foundation Trust – Stockport (England)
22/04/2022	South Eastern Health and Social – Dundonald (NI)
12/08/2021	University College London Hospital – London (England)
29/11/2021	Ulster Community HSS Trust – Newtownards (NI)
18/10/2021	Siemens Healthcare Ltd – Slough (England)

⁵ Paragraph 14 of Mr Olszewski’s witness statement

22. I do not need to spend much time on these alleged inconsistencies as it was eventually clarified by Mr Milligan that he did not contend that the opponent's evidence was untrue or wrong, but argued that the value of the sales (i.e. £48 million) was likely to include the price of the goods (i.e. £700,000 per unit) as well as the service contract worth approximately £4.5 million which, Mr Olszewski said, is realised after installation, over successive years. Mr Milligan contended in effect that the opponent conflated the sales figures, and that the sales value should *not* be taken to be £48million.

23. I accept that the value of the sales given by Mr Olszewski is likely to include the costs of the service contract and that given the evidence that the price of a IQON Spectral CT scanner is £700,000, the 9 units sold during the relevant period in the UK must have generated a turnover of, approximately, £6.3million. Whilst this is lower than the given figure of £48million, it is still a sizable amount of revenue. Further, even in cases where there are low sales volumes other factors might mean that the use is sufficient to constitute genuine use of the trade mark.

24. In *Masterbuilders, Heiermann, Schmidtman GbR v EUIPO*, T-76/21, for example, the General Court ("GC") held that relatively low sales volumes of timers and downloadable application software in class 9 were sufficient to be genuine use of the trade mark. Approximately 2,700 timers had been sold during the five-year period, some by the unit (with or without an accompanying book), the majority in crates of eight. There was also evidence that 970 items, totalling EUR 28,000, had been sold via an e-commerce platform in 23 Member States during the relevant period. Although this volume was not very significant, the goods were not everyday consumer goods and the sales volume had been achieved in the first few years of the goods being marketed. In addition, the sales covered a wide territory. The Court held that these factors offset the low volume of sales. In respect of downloadable application software, there had been 1,621 downloads of the software, 99% of which were in the EU. The Court said that the number of downloads was not particularly significant but not token either, and that it was sufficiently significant to demonstrate the frequency and territorial scope of the use of the mark at issue in the marketing of the application, particularly in circumstances where the application had been available for download for less than six months at the end of the relevant period. Although this case was

decided after the end of the Brexit transition period and is not binding, it has persuasive value.⁶

25. In the present case, although the number of units sold during the relevant period is very low, being only 9, fewer instances of use may suffice for expensive or specialised goods that are only bought occasionally than for low-cost everyday items which are purchased frequently.

26. The market for the goods in question is very niche and the goods, namely spectacle imaging CT scanners, are exceptional purchases that require a sizeable investment by hospitals and healthcare providers. The goods are sold at a very high price, manufactured in limited numbers and offered to a very narrow market. Furthermore, even excluding the value of the service contract, the total amount of sales over the relevant period, an amount of, according to my calculation, £6.3million, does not seem to be token and there are supporting documents demonstrating that the opponent's IQON Spectral CT scanner is referenced in medical publications in which, as Mr Olszewski notes, *"it is recognised and appraised for its impact in the industry and being the first of its kind."* An example of this is an article from RADMAGAZINE,⁷ a publication targeting radiotherapy professionals, dated 2 July 2019 which states:

"Ulster Independent Clinic has invested £1.5m in a spectral imaging CT scanner, the first of its kind in the UK and Ireland and only the second to be installed in Europe. The clinic believes the IQon Spectral CT is set to revolutionise its scanning capabilities and will enable it to deliver an enhanced level of patient care. Consultant radiologist Dr Peter Ball, who has experienced the system described it as a very exciting development for the hospital. This technology is effectively redefining how we scan patients, and the subsequent course of treatment. It will enable us to deliver significant benefits prognostically."

⁶ See also *Industria de Diseño Textil, SA (Inditex) v EUIPO*, T-467/20. In that case, the GC held that representative invoices showing sales of pasta in Italy totalling something over €40,000 were sufficient to show genuine use in the EU, when taken together with marketing material and evidence of regular use over the relevant period.

⁷ ME07

27. Taking all of the above into account, including (a) the value of the sales (b) the highly specialised and niche nature of the opponent's market, (c) the geographical spread of the use, with the goods having been purchased by 7 different healthcare providers within the UK in 2017, 2018, 2020 and 2021 and (d) the continuity of the use over the relevant 5 year period, I am of the view that the evidence before me is sufficient to demonstrate that the opponent has made a genuine attempt to create or preserve a market share for its goods in the UK throughout the relevant period.

28. In respect of a fair specification, under both grounds the opponent relies on the following goods only:

Class 10: *Medical apparatus and instruments, namely imaging apparatus and instruments.*

29. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

30. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows (at [47]):

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

31. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834 (Court of Appeal), a case which concerned pharmaceutical substances and preparations, Kitchen LJ held that it was well established that (1) a category of goods/services may contain numerous subcategories capable of being viewed independently and, (2) the purpose and intended use of a pharmaceutical product are of particular importance in

identifying the subcategory to which it belongs. I think that point (2) might also apply to medical devices.

32. In the context of the above terms, I note that the evidence only shows use of CT scanners, the sequence CT standing for Computed Tomography. Mr Milligan's submission at the hearing was that if I were to find genuine use, a fair specification should be "computerized tomography scanning machines". I agree with Mr Milligan that the use shown is limited to computed tomography scanning machines, and it is not sufficient to retain the broader term *medical apparatus and instruments, namely imaging apparatus and instruments*, which would include, for example, magnetic resonance imaging (MRI) apparatus, conventional X-ray apparatus and ultrasonic imaging apparatus. Therefore, I am of the view that the finding of genuine use applies to "computed tomography (CT) scanning machines" only.

Section 5(2)(b)

33. Section 5(2)(b) of the Act reads as follows:

"5(2) A trade mark shall not be registered if because –

(a)...

(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."

34. Section 5A of the Act is as follows:

"5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the

trade mark is applied for, the application is to be refused in relation to those goods and services only.”

35. The following principles are gleaned from the decisions of the EU 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 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:

(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 greater 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 to mind the earlier mark, 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

36. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, 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 are complementary.”

37. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(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.

38. In *Gérard Meric v OHIM* Case T- 133/05, the GC stated that:

“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 for 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. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the GC stated that “complementary” means:

“[...] 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.”

40. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different. The purpose of examining whether there is a complementary relationship between goods and services is to assess whether the relevant public are liable to believe that responsibility for the goods and services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander QC noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL O/255/13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes.”

41. Whilst on the other hand:

“[...] it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

42. In light of my findings above, the competing goods are as follows:

The applicant's goods	The opponent's goods
<p>Class 10: <i>Medical devices, namely, catheters, stents, guidewires, wearable monitors for monitoring vital signs, stroke rehabilitation devices in the nature of physical, cognitive, and speech-language-pathology rehabilitation devices; digital health devices in the nature of digital monitoring devices, for use in telemedicine, and for use in behavioral health and community health, for monitoring biomarkers of patients; medical devices for the detection, diagnosis, and treatment of strokes, and physical and neuro rehabilitation devices for use with stroke patients; medical devices, namely, access catheters for the introduction of interventional medical devices into the peripheral, coronary, and neuro vasculature; interventional medical catheters for use in the peripheral, coronary, and neuro vasculature; access sheaths for use in the brain of a patient; medical sheaths and catheters for use in neurovascular, cardiovascular and peripheral vascular procedures; aspiration catheters for use in the vascular system; medical devices, namely, catheters for vascular use; access catheters for the introduction of interventional medical devices into the peripheral, coronary, and neuro vasculature; interventional medical</i></p>	<p>Class 10: <i>computed tomography (CT) scanning machines</i></p>

<i>catheters for use in the peripheral, coronary, and neuro vasculature; none of the foregoing goods being for dental use or in relation to computerized tomography (CT) scanning machines.</i>	
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43. The first thing to note is that the limitation “*none of the foregoing goods being for dental use or in relation to computerized tomography (CT) scanning machines*” to the applicant’s specification was added downstream of the opposition, after the evidence rounds were concluded.

44. In its statement of grounds, the opponent based its argument on the similarity between the respective goods by comparing the specification of the earlier mark as it is registered (which is not the same as the goods in relation to which I found genuine use) and the applied-for specification without this newly added limitation. It stated:

“Wearable monitors for monitoring vital signs; digital health devices in the nature of digital monitoring devices, for use in telemedicine, and for use in behavioral health and community health, for monitoring biomarkers of patients in the opposed mark are identical to the goods covered by the Earlier Mark because they are medical imaging apparatus or instruments.

The remaining class 10 goods in the opposed mark are similar or complementary to the class 10 goods of the Earlier Mark because the goods will be used in conjunction with imaging apparatus and instruments. The respective goods are therefore complementary and are likely to have the same or similar trade channels and sales outlets, and be marketed or provided by the same or economically-linked undertakings.”

45. In its written submissions, which were filed alongside the evidence, the opponent did not really address the question of how similar the goods concerned are; rather, it focused on the similarity of the marks, claiming that they are highly similar, and referred to the principle that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the marks and vice versa.

46. At the hearing, Mr McLeod did not press on with the arguments that some of the goods are identical or complementary, share trade channels and are usually offered by the same undertakings. Rather, he insisted that the marks are highly similar, and that the newly added limitation does not remove the likelihood of direct or indirect confusion.

47. It is well-established that the *Canon* criteria must always be taken into account in order to assess the similarity of goods. Those factors include, as I set out above, the nature of the goods, their intended purpose, their method of use and whether they are in competition with each other or are complementary. It is also necessary to take into account, besides the *Canon* criteria, other factors, namely the distribution channels, the relevant public and the usual origin of the goods. The only criteria to which Mr McLeod referred in his oral submissions is the nature of the goods; although he advanced the proposition that the limited specification of the application could still encompass goods which could be used on patients who have had CT scans, he did not mention the existence of a complementary relationship between the goods at issue. Rather, his argument was that since a CT scan is a test that takes detailed pictures of the inside of the body to diagnose conditions or check how well a treatment is working, if one *“considers the nature of the opponent’s goods”* it is conceivable that *“the limited specification of the application could still encompass goods which could be used on patients who have had CT scans”* which would be sufficient to give rise to a likelihood of direct or indirect confusion.

48. Mr McLeod did not argue that the goods are complementary, or that the applicant’s limitation is impermissible - in this regard, by the way, I think that the exclusion is permissible as it relates to categories of goods defined in part by reference to their medical use, rather than to characteristics of goods.⁸ Further, contrary to the statement of grounds, Mr McLeod’s submission restricted the comparison of the goods to the goods in relation to which the earlier mark has been genuinely used (i.e. CT scanners). Bearing all this mind, what I think Mr McLeod said is that the opponent’s CT scanners could be used to diagnose health conditions, whereas the applicant’s goods could be used on the same patients to carry out health treatments after diagnosis. I did not

⁸ *Omega SA (Omega AG) (Omega Ltd) v Omega Engineering Incorporated* [2012] EWHC 3440 (Ch)

understand Mr McLeod to be saying that the goods are used together or 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.

49. Mr Milligan, on behalf of the applicant, reiterated the position that there is no similarity between the goods. He stated that a CT scanning machine is intended to produce detailed internal images of the body in a non-invasive manner, whereas the applied-for goods are not intended to produce images. He also stated that the goods covered by the application are largely invasive and include catheters, stents and other medical devices that would typically go inside the body and are used to draw fluids from the body, monitor vital signs or provide passage for drugs, whereas the opponent's CT scanning machines are non-invasive. Accordingly, Mr Milligan argued, the intended purpose of the goods is very different. Turning to the nature of the goods, Mr Milligan submitted that the opponent's CT scanning machines are very large pieces of equipment which would require special provisions to be made in hospitals or medical facilities to accommodate them, whereas the goods covered by the application have a completely different nature as are all lightweight, easy to move and very small. Further, Mr Milligan pointed out that the opponent's CT scanning machines are very expensive and highly specialised, infrequent purchases, as shown by the opponent's own evidence, whereas the goods covered by the application are fairly basic pieces of medical equipment such as catheters, guide wires and monitors, which are relatively inexpensive and frequent purchases in comparison to the opponent's CT scanning machines.

50. The opponent's evidence shows that a computed tomography (CT) scanning machine (shown below) is a large, highly sophisticated piece of equipment for performing computer-analysed tomography, which is a technique used to obtain internal images of selected sections of the human body with a view of assisting diagnosis of health conditions:⁹

⁹ Oxford English dictionary and Collins English dictionary.



51. The applicant's goods include catheters, stents and guidewires which are small medical devices that can be inserted in the body to treat diseases or perform a surgical procedure. In addition, the applicant's specification includes digital monitors for monitoring vital signs and biomarkers of patients, as well as medical devices for the

detection, diagnosis, and treatment of strokes, and physical and neuro rehabilitation devices for use with stroke patients.

52. I agree with Mr Milligan that the goods have a very different nature and purpose. Further, none of the applicant's goods is for use in conjunction with, or in relation to, the opponent's *computerized tomography (CT) scanning machines*. The fact that the applied-for goods could be used on the same patients who had a CT scan does not make them complementary and Mr McLeod did not argue that they are. Complementarity must be assessed from the point of view of the relevant public and the average consumer in this case is not the patient in relation to which the goods are used (i.e. the patient who had a CT scan and is subsequently subject to a surgical, rehabilitation or monitoring procedure that use the applicant's goods), but the hospital or healthcare provider who provides the healthcare services in which the parties' goods are used. There is no evidence as to how hospitals and healthcare providers buy the medical equipment they require to deliver care to their patients, however, it is likely that the acquisition is done through a procurement process by a dedicated procurement team upon requests by the relevant doctors and clinicians; in this case the goods being so different, their purchase request is likely to come from different specialised departments, i.e. radiology, cardiology, operating theatres, etc, so insofar as doctors and clinicians request the purchase of the relevant goods, the end-users are different, and it is well-established that complementarity is not possible where users are different.¹⁰ Further, whilst procurement teams might treat the parties' goods as falling within the same category of medical equipment for budgeting purposes (as opposed, for example, to other categories of spending such as furniture, IT equipment, cleaning products and vehicles) that does not make the goods complementary in a trade mark sense.

53. Finally, Mr McLeod did not argue that the respective goods share the same distribution channels and there is no evidence that the usual origin of the goods coincide or that there is a well-established market practice amongst manufacturers of CT scanners to produce catheters, stents, guidewires and sheaths or health monitoring devices of the sort with which the applicant's goods are concerned. On the

¹⁰ Case T-237/21, paragraph 47.

contrary, given the highly specialised nature of the goods at issue, all of them being medical apparatus and instruments, and their different nature and purpose, I think it is unlikely that they will be manufactured or marketed under the control of a single undertaking or economically linked undertakings or that they will be made available through the same distribution channels.

54. Hence, the goods have a different nature, purpose, use and method of use, they do not share trade channels and are neither complementary nor in competition.

55. Finally, the fact that all of the goods at issue are purchased by hospitals and healthcare providers does not make them similar. First, the different nature and purpose of the goods means that, in practice, the goods will be used by different doctors and clinicians, so the end-users do not overlap. Second, even if one accepts that there is a coincidence in the relevant public insofar as the respective goods are bought by the same hospitals and healthcare providers, that is only a possible connection regarding a relatively weak additional factor, and cannot outweigh the lack of similarities with regard to the nature of the goods, their intended purpose, method of use, or any other *Canon* criteria.

56. For all of the reasons given above, I conclude that the goods are dissimilar.

57. In *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

“49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.

58. Accordingly, I find that there is no likelihood of confusion on the part of the relevant public based solely on a comparison of the goods at issue. However, if I am wrong in this finding, I will go on to consider the remaining aspect of the Section 5(2)(b) grounds.

Average consumer

59. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective 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 words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

60. Both parties agreed at the hearing that the competing goods are targeted at professionals from the medical sector who pay a high level of attention to the selection of the goods.

61. As it will be recalled, I found that the goods will be purchased by the procurement departments of hospitals and healthcare providers. Although there is no evidence about how hospital procurement procedures work, it is likely that the decision to buy medical equipment and supplies will be made jointly by doctors and clinicians (who will be responsible for making a request to purchase the medical equipment they need to operate) and procurement departments (who will be responsible for buying the goods and managing the hospital’s budget). Consequently, factors such as price, characteristics and safety of the products, and availability of equivalent comparative products, will be taken into account.

62. The goods are likely to be selected visually from websites, catalogues and marketing material, but the very nature of the goods and their purchase process is likely to demand personal dealing between the buyer and the provider of the goods, for example, through discussions of quotes and orders made over the phone, so aural consideration will also play a part.

Comparison of marks

63. 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.”

64. 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.

65. The respective marks are shown below:

The applicant's mark	The opponent's mark
<p style="text-align: center;">IKON</p>	<p style="text-align: center;">IQON</p>

Overall impression

66. The applicant's mark is a figurative mark consisting of the word "IKON" presented in a standard typeface.¹¹ There are no other elements to contribute to the overall impression which lies in the word itself.

67. The opponent's mark is in word-only format and consists of the word "IQON". As there are no other elements, the overall impression of the mark lies in the word itself.

Visual similarity

68. In his oral submission, Mr McLeod started by saying that the marks are visually and aurally highly similar, however, having acknowledged that both marks are short marks, he stated that there is, probably, an average degree of visual similarity. Mr Milligan argued that there is a low degree of visual similarity because of the differences between the marks and because of the fact that the marks are short, and consumers will perceive those differences more readily.

69. Visually, the competing marks are similar to the extent that they share the first letter 'I' and the third and fourth letters 'O' and 'N'. They differ in their second letter which is a 'K' in the applicant's mark and a 'Q' in the opponent's mark. However, the change of a letter when the marks are only four letters long is a significant one. Furthermore, the letter 'K' and the letter 'Q' are markedly different letters.

¹¹ The typeface looks like a Times New Roman, so it is a standard typeface. In the WIPO details, it says that the applicant declares that they wish the mark to be considered as a mark in standard characters.

70. The fact that the letters 'K' and 'Q' appear in the initial part of the marks, that they are visually very different, as well as the fact that the marks at issue are short, allowing the relevant public to more easily notice the differences between the two marks, are important factors to take into consideration. However, the similarities created by the other letters, i.e. the letters 'I', 'O' and 'N', cannot be downplayed. In my view, the marks are similar to no more than a medium degree.

Aural similarity

71. I agree with Mr McLeod that a possible pronunciation of the opponent's mark is likely to be as AI-KWUON. Alternatively, the mark could be pronounced as AI -KIU-ON. The applicant's mark will be pronounced as AI-KON. Mr Milligan accepted that there is a low degree of aural similarity between the marks. In my view, in the first scenario there is no more than a medium degree of aural similarity, whereas in the second there is a low degree of aural similarity.

Conceptual similarity

72. Neither IKON nor IQON has any meaning for the relevant public. Taking the position that both words will be perceived as invented, a conceptual comparison is not possible.

73. Mr McLeod contended at the hearing that the marks are conceptually similar insofar as they both evoke the concept of an icon. Whilst the applicant's mark might evoke the concept of an icon, due to the identical sound created by the words "icon" and IKON, the presence of the letter Q in the earlier mark creates an impression that is sufficiently removed from that produced by the word "icon" that it will not convey the meaning of that word. Taking the position that the applicant's mark conveys the concept of an icon, and the earlier mark does not convey any meaning, the marks are conceptually different.

74. Further, the opponent's evidence shows that the earlier mark has been used in a way that emphasises the meaning of IQ as intelligence quotient; if notional use of the earlier mark covers that presentation (which it is the parties' position for the purpose

of genuine use), the fact that the earlier mark will convey the concept that the goods are intelligent creates a further conceptual difference.

Distinctive character of earlier mark

75. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, 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 *Windsurfing Chiemsee 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 originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

76. Registered trade marks possess various 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 made of it.

77. I will address the earlier mark's inherent distinctive character first.

78. For those consumers who perceive the mark IQON as invented, it has a high degree of inherent distinctiveness. However, if the mark is used as IQon, conveying the meaning that the goods are intelligent, such use results in a mark that is still invented but is also allusive of a characteristic of the goods and has no more than a medium degree of distinctive character.

79. I will now consider whether the evidence filed by the opponent is sufficient to establish that the distinctiveness of the earlier mark has been enhanced through use.

80. Bearing in mind the low sale volume of the goods concerned, the lack of information about marketing spend and market share, and the absence of evidence about how the goods are marketed and promoted, I have no hesitation in finding that the distinctive character of the earlier mark has not been enhanced through use.

Likelihood of confusion

81. 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 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 earlier 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 marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

82. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where Iain Purvis Q.C. (as he then was) 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 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).”

83. I note that the examples above were intended to be illustrative and are not exhaustive.

84. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ approved Mr Purvis's formulation but added:

“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.”

85. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17. This is mere association not indirect confusion.

86. Mr McLeod's position at the hearing was that there is a likelihood of both direct and indirect confusion, although he did not explain how indirect confusion might occur.

87. My primary finding is that there is no likelihood of confusion because the goods are dissimilar, but even if there is a degree of similarity between the goods, I find that they cannot be similar to more than a very low degree. In addition, what is important in this case is the level of attention which the relevant public will display when purchasing the goods at issue. The procurement of specialised medical goods is operated by careful and experienced people who deploy a high level of attention. Confusion between marks is unlikely unless they are very similar. In this case, I found that the marks are visually and aurally similar to no more than a medium degree (or, alternatively, aurally similar to a low degree); conceptually, the position is either neutral or of conceptual dissimilarity, depending on whether the marks are perceived as invented or they will convey a meaning (with the applicant's mark conveying the concept of an icon and/or the earlier mark conveying the concept that the goods are intelligent).

88. In my view, even factoring in imperfect recollection, the differences between the goods and the marks at issue, and the high level of attention paid by the relevant

public, are such that it is unlikely that a member of the relevant sophisticated public would directly mistake or mis-recall one mark for the other or be confused as to the identity of the party with whom they are contracting. The (at best) high degree of distinctiveness of the earlier mark is not sufficient, in those circumstances, to offset the other factors which point towards the absence of confusion. There is no likelihood of direct confusion.

89. Turning to indirect confusion, I see no reason why the average consumer of the goods, having noted the differences between the marks, would assume that the applicant's mark is another mark used by the opponent or an economically connected undertaking. The common element here is the presence of three identical letters in the parties' four-letter marks; the presence of a different letter in the middle of the marks creates two different unconnected words. This is inconsistent with a brand extension which presupposes that the dominant and distinctive element in the original mark remains the same in the later mark.

90. The opposition under Section 5(2)(b) fails.

Section 5(3)

91. Section 5(3) of the Act states:

“5(3) A trade mark which -

(a) 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 repute of the earlier trade mark.”

92. Section 5(3A) of the Act states:

“Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

93. 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’Oreal 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'Oreal 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'Oreal v Bellure*).

94. The relevant date for the assessment under Section 5(3) is the priority date of the application at issue, being 14 October 2021.

Reputation

95. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

96. As it will be recalled, I have found that the distinctiveness of the earlier mark has not been enhanced through use. For similar reasons to those I have set out above, I also find that the opponent’s mark did not have a qualifying reputation in the UK at the relevant date.

97. The opposition under Section 5(3) fails at the first hurdle.

OUTCOME

98. The opposition has failed in its entirety, and subject to any successful appeal, the IR/application may proceed to registration in respect of all of the goods applied for.

COSTS

99. The applicant has been successful and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 4/2016. In the circumstances, I award the applicant the sum of £1,400, calculated as follows:

Reviewing the TM7 and preparing and filing the TM8 and counterstatement:	£ 300
Reviewing the evidence:	£400
Attending a hearing:	£700
 Total	 £1,400

100. I therefore order Koninklijke Philips N.V. to pay IMPERATIVE CARE, INC. the sum of £1,400. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 13th day of August 2024

TERESA PERKS
For the Registrar