O/0772/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3880587

BY PERATECH HOLDCO LTD.

TO REGISTER THE TRADE MARK:

HYDRA

IN CLASSES 9 AND 28

AND

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 442477

BY MPDV MIKROLAB GMBH

BACKGROUND AND PLEADINGS

1. On 21st February 2023, Peratech Holdco Ltd. ("the applicant") applied to register the trade mark shown on the cover of this decision in the United Kingdom. The application was accepted and published in the Trade Marks Journal on 12th May 2023, with further amendments restricting the goods published on 14th July 2023 and 11th August 2023. The final published specification is in respect of the following goods:

   Class 9: *Software for controlling inputs from peripheral devices, namely keyboards, touchpads, game controllers; computer control software, namely control software for force enabled keyboards; software for force enabled computer peripheral devices; computer software for controlling force sensing devices; excluding software for use in manufacturing processes and software for use in manufacture execution systems; excluding software for use in blockchain processes.*

   Class 28: *Game controllers for computers; controllers for computer games; gaming keypads; gaming keyboards.*

2. On 11th August 2023, MPDV Mikrolab GmbH ("the opponent") opposed the application based on Section 5(2)(b) of the Trade Marks Act 1994 ("the Act").[1] The opposition is directed against all of the goods in the application. The opponent relies upon the earlier mark, an International Registration, ("IR") shown below:

   WO0000001665363

   HYDRA X

[1] The opposition originally relied upon two earlier rights: UK00801305855 (HYDRA) based upon Sections 5(1) and 5(2)(a) and WO0000001665363 (HYDRA X) based upon Section 5(2)(b). The grounds relying on UK00801305855 were subsequently withdrawn via correspondence dated 24th November 2023.

Protected on 3rd November 2022, with effect from the same date, and a German priority date of 23rd August 2021.

Relying upon the following goods and services:

Class 9: *Recorded data; databases; software; application software; communication and network software; software for data and file management and for databases; office and business application software; artificial intelligence software and machine learning software; artificial intelligence software for creating analytics; software for monitoring, controlling and executing operations in the physical world; electronic databases; information technology, audiovisual, multimedia and photographic equipment; data storage devices and media; data processing apparatus and equipment and accessories [electrical and mechanical]; computers and computer hardware; security, safety, protection and signalling apparatus and equipment; electric and automatic access control devices and access control devices; electrical and electronic components; parts and accessories for all the aforesaid goods, included in this class.*

Class 42: *IT programming services; development, programming and implementation of software; development of computer hardware; hosting of software as a service [SaaS]; software as a service [SaaS] and rental of software; rental of computer hardware and systems; IT consultancy, advisory and information services; IT security services in the nature of protection and recovery of computer data; electronic data backup and conversion services; data coding services being computer programming; computer analysis and diagnostics; research and development of computers and computer systems; computer project management services in the field of electronic data processing (EDP); data mining; providing search engines for obtaining data on a global computer network; computer network services; updating of computer system memory banks; data migration services; updating of websites for others; digital watermarking; remote monitoring of computer systems; scientific and technological services; testing, authentication and quality control; design services; rental of data processing equipment and computers and accessories therefor (electrical and mechanical), in particular computer hardware, electronic and electric components, information technology equipment; rental services*

relating to computer software, electronic databases and database servers [to third parties].

3. The opponent's IR qualifies as an "earlier trade mark" in accordance with Section 6 of the Act, as its priority date is earlier than the filing date of the applicant's mark. Since the opponent's earlier mark had been protected for less than five years at the filing date of the applicant's mark, it is not subject to the use provisions specified in Section 6A of the Act.

4. Under Section 5(2)(b), the opponent claims that the marks are highly similar, differing only through the addition of the letter 'X' which is "so negligible that it would go unnoticed by the average consumer".[2] They submit that there is a risk of both direct and indirect confusion as the consumer may overlook the additional 'X' or notice it, yet still assume the marks are economically linked.

5. The applicant filed a counterstatement denying the claims made. This included the following:
   - That the addition of the letter 'X' to the opponent's trade mark is sufficient to enable the consumer to distinguish between the trade marks in the market.
   - That the applicant's goods are designed, sold and marketed for gamers, game developers and game distributors. Therefore their purpose and nature, and the relevant consumers, are highly specific.

6. In these proceedings, the opponent is represented by Lincoln IP and the applicant by HGF Limited.

EVIDENCE AND SUBMISSIONS

7. Only the applicant filed evidence and submissions. The evidence is in the form of the witness statement from Rigel Moss McGrath, a trade mark attorney from the firm representing the applicant, dated 4th April 2024 and accompanied by five exhibits. It covers the trade mark registrations held by the opponent and exhibits showing use of these marks, the nature of applicant's and opponent's goods, and

[2] See paragraph 2 of statement of grounds dated 11th December 2023.

exhibits detailing broader use of the term ‘HYDRA’ within the computer software industry.

8. A hearing took place before me (via video link) on 11th July 2024 at which Ms Karen Veitch appeared for Lincoln IP, and Mrs Rigel Moss McGrath for HGF Limited. I make this decision after careful consideration of the papers and the parties’ submissions. I have not summarised these in full but will refer to them as necessary.

DECISION

Section 5(2)(b)

9. Section 5(2)(b) of the Act is as follows:

> “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.”

Section 5A states:

> “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.”

10. In considering the opposition under this section, I am guided by the following principles which are taken from the decisions of the Court of Justice of the European Union (“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*

Office for Harmonisation in the Internal Market (Trade Marks and Designs) ("OHIM"), Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P:[3]

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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;

[3] 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.

(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 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; and

(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 AND SERVICES

11. It is settled case law that I must make my comparison of the goods on the basis of all relevant factors. In *Canon*, Case C-39/97, the CJEU stated at paragraph 23 of its judgment 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."

The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

12. Additionally, in *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the General Court of the European Union ("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 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."

13. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (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."

14. As already highlighted above, the opponent's statement of grounds details that it wishes to rely upon all its goods and services in classes 9 and 42, and this was reiterated at the hearing. However, also included in its statement of grounds (specifically the tables at paragraph 3 and 5 – and referenced within the skeleton arguments and at oral submissions), the opponent provides a detailed goods and services comparison where it has identified a refined list of terms which it deems are identical or similar to the applicant's goods. I will focus my assessment in this decision on the terms identified in this table, though wish to note that I have considered all the terms, as pleaded, and found there is nothing in the other terms (not featured in the opponent's tables) which would have assisted its case further. Thus, the goods and services to be compared are as follows:

The applicant's goods	**The opponent's goods**
Class 9: *Software for controlling inputs from peripheral devices, namely keyboards, touchpads, game controllers; computer control software, namely control software for force*	**Class 9:** *Software; application software; communication and network software; software for data and file management and for databases; software for monitoring,*

enabled keyboards; software for force enabled computer peripheral devices; computer software for controlling force sensing devices; excluding software for use in manufacturing processes and software for use in manufacture execution systems; excluding software for use in blockchain processes. **Class 28:** *Game controllers for computers; controllers for computer games; gaming keypads; gaming keyboards.*	*controlling and executing operations in the physical world; computers and computer hardware.* **Class 42:** *IT programming services; development, programming and implementation of software; development of computer hardware; software as a service [SaaS] and rental of software; rental of computer hardware and systems; data coding services being computer programming; rental services relating to computer software, electronic databases and database servers [to third parties].*

Contested Class 9 Goods

15. It was accepted by the applicant at the hearing that the terms "*software*" and "*application software*" in the opponent's specification are very broad and would encompass any computer software. However, the applicant maintains that its class 9 goods are similar to the opponent's registration only to a low degree. The main basis for this argument is that its goods are highly specialised, targeted to a specific consumer and demand a high level of attention in the purchasing process. It states that it "is software that can only be used to customise the sensitivity of the keys of only the Applicant's keyboards which are incorporated into specific gaming laptops or notebooks" and thus "the relevant consumer's attention during the research and download process will be very high".[4] It also draws comparisons (using information presented in Exhibit RMM4) against the

[4] Paragraph 9 of written submissions dated 4th April 2024.

opponent's products which relate to a commercial "manufacturing execution system".

16. I recognise that some of the applicant's terms within class 9 are limited to software for force enabled and force sensing devices, and specifically excludes software for use in manufacture execution systems. However, this does not circumvent the key point that all the applicant's goods are software. Since the opponent's specification includes "*software*" at large, this this would encompass the applicant's goods and therefore be considered identical under the principles outlined in *Meric*.

Contested Class 28 Goods

17. The applicant submits that there is no similarity between their class 28 goods and the goods and services protected under the earlier mark, for similar reasons to those provided at paragraph 15 above. At the hearing, the applicant accepted that the term "*computer hardware*" would encompass general computer keyboards and controllers but, Mrs Moss McGrath argued, the NICE classification distinguishes and excludes controllers for toys and game consoles from class 9. Therefore, there could be no similarity between the opponent's "*computer hardware"* in class 9 and their class 28 goods.

18. The opponent's position, was unsurprisingly, to the contrary, and that the goods are highly similar. Ms Veitch highlighted that the NICE classification system is purely administrative and that Section 60A(1)(b) of the Act states that goods and services are not to be regarded as dissimilar on the basis of them falling in a different class. I agree with the opponent's position with respect to Section 60A of the Act and must instead base my comparison on the principles already outlined in paragraphs 11 to 13.

19. The applicant's terms within class 28 all relate to peripheral gaming devices, i.e. controllers, keypads and keyboards. I consider there to be an overlap in users of the applicant's goods in class 28 with users of the opponent's "*Computers and computer hardware*" in class 9. The latter relates to the physical components of a

computer and includes peripheral input devices such as mice and keyboards.

20. These goods overlap in purpose with the applicant's gaming devices in class 28 and it is feasible that they would be in competition. For example, where a consumer elects to purchase gaming-specific apparatus versus choosing general computer hardware which may be compatible for use in conjunction with gaming software. There will be an overlap in the physical nature and method of use of certain goods, for example, a standard computer keyboard, with the applicant's "*gaming keyboards*". There will also be an overlap in trade channels and it would be reasonable for the average consumer to expect the manufacturer of computer-related hardware in class 9 to also produce and sell similar goods specifically for gaming purposes falling under class 28. Further, I agree with a point submitted by Ms Veitch at the hearing, that there may be circumstances where a consumer, having purchased a computer, may go on to purchase a dedicated gaming controller to use with that device. A further extension of this complementarity appears to be supported by the opponent's submissions that their goods are often sold already incorporated into a notebook or laptop.[5]

21. With all of this in mind, I find that the applicant's "*Game controllers for computers; controllers for computer games; gaming keypads; gaming keyboards"* are similar to the opponent's *"Computers and computer hardware"* to a high degree.

22. I have also considered the similarity between the contested class 28 goods with the opponent's "*rental of computer hardware and systems"* in class 42. However, while there could be commonality in users and purpose, and a degree of competition (for the same reasons as identified in the paragraph above), the trade channels and expectations regarding manufacturer/service provider would differ. Therefore, I consider these similar to a low to medium degree.

The average consumer and the nature of the purchasing act

23. Both parties provided submissions regarding the average consumer, with the opponent arguing this would be a member of the general public displaying a low

[5] Written submissions paragraph 9 and evidence provided at Exhibit RMM3.

to moderate level of attention. The applicant's arguments are based upon differentiating between the average consumer for their own goods, compared to the goods and services of the opponent. For their own goods, it submits that the average consumers of their class 9 goods are "gamers that have purchased a notebook or laptop incorporating the Applicant's force-enabled keyboard" and that their "attention during the research and download process will be very high".[6] However this assessment appears to be based on the applicant's current business practices and trade channels, rather than the published specification of the applicant's mark. In addition to force-enabled software, I am mindful that the applicant's specification also includes the more general "*Software for controlling inputs from peripheral devices, namely keyboards, touchpads, game controllers".* These goods aren't force specific and therefore wouldn't necessarily be confined to the same group of average consumers suggested by the applicant.

24. For their class 28 goods, the applicant submits that the average consumers are computer gamers, again with a very high level of attention to detail.[7] However, whilst the applicant's class 28 goods are all controllers/peripheral devices for gaming, my understanding is that the average consumer of these would be members of general public. I have no evidence before me to suggest that "gamers" are made up of a more specialised audience than this.

25. The applicant's written submissions acknowledge that some of the opponent's terms, namely "*software*" and "*application software*" are broad in nature and therefore that the average consumer "must be considered to be the general public".[8] However, it submits that since they "are not everyday items", are purchased to fulfil a specific role (where compatibility is important), and can be reasonably costly, the average consumer would demonstrate a high level of attention. However, I disagree with these assertions on the basis that the broad term software includes a vast range of goods, such as smart phone applications, which can be a reasonably casual, frequent and inexpensive purchase. Within her witness statement and at the hearing, Mrs Moss McGrath developed the

[6] Written submissions at paragraph 9.
[7] Ibid. Paragraph 10.
[8] Written submissions at paragraph 11.

applicant's submissions further, submitting that the information gleaned from the opponent's website (and presented at Exhibit RMM4) demonstrates that the average consumer of the opponent's goods is someone involved in manufacturing and factory processes. In response to this specific point, again, I remind myself that the average consumer for the earlier mark relates to the goods and services as protected within the trade mark specification. This covers "*software*" and "*application software*" at large and is not limited to goods relating to manufacturing and factory processes. This point is covered in further detail at paragraph 48 below, in response to similar arguments presented by the applicant.

26. With all of the above in mind, I consider that the average consumer of the goods will be a member of the general public. The goods are likely to be self-selected from the shelves of high street retailers or online equivalents, where they will be displayed on webpages and available for purchase, ordering or download. In my view, the visual aspect will dominate the selection process, however, I do not discount the aural component playing a role by way of word of mouth recommendations or discussions with sales persons. The goods will vary in cost and frequency of purchase, for example, for the class 9 goods, depending on the nature of the software. However, I consider that the consumer selecting the goods will take into consideration factors such as individual preferences and compatibility with existing hardware or software. As a result, I consider that the average consumer will purchase the goods with a medium level of attention.

Comparison of the marks

27. 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."

28. It would be wrong, therefore, to dissect the marks artificially, 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.

29. The respective marks are shown below:

Applicant's mark	Opponent's mark
HYDRA	**HYDRA X**

30. The opponent submits that the marks are highly similar visually and conceptually and phonetically very similar. At the hearing, Mrs Moss McGrath for the applicant accepted that there is a similarity between the marks on all three bases. However, she submitted that the relevant goods are not the kind where phonetic similarity is particularly relevant, basing this on the rationale that the software is not the type of good where you would go into a shop and ask for 'HYDRA'. As I've already found at paragraph 26 above, I agree only so far in that I consider that the visual aspect will dominate the selection process. I do not agree that the aural component should be disregarded, as this would still play a role by way of word of mouth recommendations or discussions with sales persons. Additionally, I have nothing before me to suggest the class 9 and 28 goods could never be sold in bricks and mortar establishments where in-person discussions may take place. Conceptually, Mrs Moss McGrath argued that the similarity here was diminished as a result of so many software providers using HYDRA and this use

weakening the distinctive character of the mark. My detailed comments regarding this particular rationale can be found at paragraphs 45 and 46 below.

Overall Impression

31. The applicant's mark is the word only mark 'HYDRA' in capitalised font. The opponent's earlier mark is identical, save for the addition of the letter 'X', separated by a space, to make HYDRA X. The overall impression for both marks lies solely in the word and, in the opponent's case, that word combined with the additional letter. 'HYDRA' is the dominant element in the earlier mark, due to its length and position, with a lesser role being played by the letter 'X'.

Visual Similarity

32. 'HYDRA' is replicated identically within both marks. They differ solely through the presence of an additional letter 'X' in the opponent's mark. Bearing in mind the overall impression of the marks, I am of the view that the marks are visually similar to a medium to high degree.

Aural Similarity

33. 'HYDRA' will be pronounced identically across the two marks, as two syllables ('HIGH-DRA'). The 'X' of the earlier mark will also be articulated, making it 'HIGH-DRA-EX'. The marks are aurally similar to a medium to high degree.

Conceptual Similarity

34. Neither side provided written submissions regarding the conceptual meaning of 'HYDRA'. However, at the hearing, Ms Veitch introduced a number of new submissions on behalf of the opponent. This included 'HYDRA' deriving from Greek mythology (as a multi-headed monster/serpent) and the claim that at least a significant proportion of the public would be aware of this, to some extent, albeit if not in great detail. I am unable to take this point on judicial notice, therefore if the opponent had wanted me to take this into consideration, it should have filed

evidence to this effect. In the alternative, Ms Veitch suggested that 'HYDRA' could conjure up the idea of water due to Greek-derived words such as 'hydrant' and 'hydraulics'.

35. My assessment is that the average consumer would recognise it as an invented word, potentially allusive of Latin or Greek origin but with no particular meaning, other than a potential link to water (as in the word 'hydrate'). While some consumers may identify a link to Greek mythology, I do not believe this would be known by the vast proportion of consumers. Even so, with either interpretation, the concept would apply identically across both marks.

36. The earlier mark contains the additional concept provided by the 'X'. Ms Veitch (again, only at hearing stage) suggested that this could easily be perceived as an abbreviation (e.g. for "extra") or as the Roman numeral to denote the tenth edition or version of the software. However, I do not think that the consumer will attach particular meaning to this additional letter, aside from it being a letter of the modern English alphabet, and I have no evidence to point to the contrary.

37. Overall, I consider that the marks are conceptually similar to a high degree (for consumers who perceive the potential link to water) or that they have no concept (for those who see 'HYDRA' as an invented word).

Distinctive character of earlier mark

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

39. The opponent has not filed evidence about the use it has made of its mark. Consequently, I have only the inherent position to consider. At the hearing, Ms Veitch's submissions only went as so far as submitting the mark was of at least

average or normal distinctiveness (and refuting the applicant's arguments of low inherent distinctiveness). Therefore, I will proceed on this basis.

GLOBAL ASSESSMENT – conclusions on likelihood of confusion

40. 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 undertaking being the same or related.

41. 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 goods may be offset by a greater degree of similarity between the trade marks, 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 act. In doing so, I must take into account the fact that the average consumer rarely has an 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.

42. Ms Veitch argued for the opponent that, despite the letter 'X' being a point of difference between the marks, it is the common element 'HYDRA' that is the dominant part from a visual, aural and conceptual viewpoint. The rationale provided is that 'HYDRA' is:

- Visually, located at the beginning of the earlier mark, where consumers generally pay more attention, with the average UK consumer usually reading from left to right.
- Phonetically, dominant because it is a longer word, it would be pronounced first, and it is the word which would be "taken away by the consumer".

- Conceptually, the most distinctive part which the public will pay most attention to.

43. The applicant's written submissions acknowledges that both marks share the word 'HYDRA' but submits that the opponent is artificially dissecting their mark "by arguing that the X part of the trade mark is 'negligible' and 'would go unnoticed by the average consumer'."[9] Rather, the applicant asserts that the 'X' in the opponent's earlier mark is significant and acts to distinguish the marks from one another. It includes evidence at Exhibits RMM1 and RMM2 to bolster this argument, claiming that the existence of the opponent's separate registrations for HYDRA and HYDRA X and use of these marks on their website "indicates that it considers that the relevant consumers are capable of distinguishing between the two marks."[10]

44. On the first point in relation to the applicant's claims regarding artificially dissecting the mark, I do not see any tension between identifying the dominant element of the earlier mark while still considering its overall impression. I agree with the opponent in so far as 'HYDRA' being the dominant element, in light of it falling at the beginning of the mark, being longer in length and more distinctive. Regarding the second point and the opponent's registrations for both HYDRA and HYDRA X, the parallel existence and use of these has no bearing on the assessment I must make. The opponent's HYDRA mark is no longer within scope of this opposition, as described at paragraph 2 above (and the corresponding footnote). The assessment is purely on the basis of the two marks in these proceedings.

45. Mrs Moss McGrath's submissions also focussed on the inherent distinctiveness of the earlier mark with claims that the word 'HYDRA' is of low or weak inherent distinctiveness due to (what it considers is) widespread use of the word, and its variants, in connection with the provision of all kinds of software, in the UK and other countries. Regarding this point, I must consider *Zero Industry Srl v OHIM*, Case T-400/06, where the GC stated that:

[9] Paragraph 6 of written submissions.
[10] Ibid. Paragraph 7.

"73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '… there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71). "

46. This rationale also applies to Mrs Moss McGrath's evidence at Exhibit RMM5 which is presented as examples of the use of 'HYDRA' in the marketplace through screenshots from various software-related websites. The screenshots provide extremely limited information regarding use of the marks and, from the evidence provided, it's not possible to determine the full context of their use. For example, information which could account for their coexistence. Further, as pointed out by Ms Veitch during oral submissions, a number of these examples either do not clearly relate to the UK market (which, despite the applicant's suggestions, must be the relevant market for this assessment), are unclear regarding what they are used on, or fall beyond the relevant date.[11] Even for the examples which do not fall foul of these factors, for the same reasons presented by *Zero Industry Srl v OHIM* above, these examples are not sufficient to establish that the distinctiveness of the word 'HYDRA' is weakened because of the popularity and (potentially) frequent online use of the word in the UK for the goods and services. There is nothing in the evidence provided which suggests

[11] For example: the second example on page 14, the second example on page 15 and both examples on page 16 do not clearly relate to the UK market; the first example on page 15 and second example on page 16 do not clearly relate to software (plus the former falls beyond the relevant date).

'HYDRA' has any particular meaning in relation to software and computer hardware or that it has become synonymous for these goods and services.

47. The applicant identified in its skeleton arguments and quoted at the hearing previous caselaw relating to marks consisting of elements with a low or weak inherent distinctiveness including where this points towards a finding of no likelihood of confusion.[12] However, bearing in mind the finding I've already made at paragraph 39 regarding 'HYDRA' having at least an average (normal) distinctiveness, and the rationale provided above that this is not weakened by "state of the register" evidence or that provided regarding use of the term in the marketplace, these cases are clearly not on all fours with this opposition.

48. In its submissions and through Exhibit RMM3, the applicant highlights that its software and devices specifically relate to force enabled keyboards and controllers for use with computer gaming. The screenshots include a press release and news article (both prior to the relevant date) detailing the applicant's goods being integrated into particular gaming laptops provided by the manufacturer Lenovo. The applicant goes on to provide evidence at Exhibit RMM4 on the opponent's goods and services (relating to a manufacturing and factory processes), in order to differentiate between the two. Using this as the basis for the comparison, the applicant submitted in their skeleton arguments and at the hearing that this meant there was no opportunity for commercial overlap. However, once again, the information provided regarding the applicant's and opponent's current commercial activities is not relevant. As already identified, the opponent is not required to prove use for the goods and services for which its mark is protected. Thus, the opponent has, and is able to rely on, the term "*software"* and "*application software*" at large which, as accepted by the applicant at the hearing, would encompass any computer software. The comparison, on which this opposition this based, is on the basis of the 'notional' coverage of the terms in the specification. The concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd (*[2004] RPC 41) like this:

[12] Such as *YAplus DBA Yoga Alliance v EUIPO,* Case T-443/21 and *Primart Marek tukasiewicz v EUIPO* (Case C-702/18).

"22. […] It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place".

49. The same principle applies to the applicant's claims that there is no risk of confusion between the marks, due to the trade channels it utilises to distribute for its goods and how these are distinct to those employed by the opponent. The applicant highlighted in its oral submissions that its goods are either pre-integrated into laptops for gamers or available for download from the Microsoft App Store, whereas the opponent's goods and services are highly specialised and offered only via the opponent's business. Again, this is immaterial and does not assist in denying a likelihood of confusion between the marks, as I must consider notional use of the mark as covered by the specifications. [13] This must include the possible (not just current) means in which the goods and services are being offered to the consumer in the marketplace.

50. In terms of my global assessment, the purchasing process is predominantly visual, a medium level of attention will be paid by the average consumer and the marks are visually and aurally similar to a medium to high degree, and conceptually similar to a high degree, or both having no concept.

[13] See also paragraph 59 of *Devinlec Développement Innovation Leclerc SA v OHIM,* Case C-171/06P.

51. While the marks are not visually identical, it is the word 'HYDRA' which functions as the dominant and distinctive element in the earlier mark (and sole element in the applicant's mark). Due to this, I consider it likely that they will be mistakenly recalled or misremembered as each other. This is especially so considering the identical and high level of similarity for the class 9 and 28 goods (against the opponent's class 9 goods), as per the principle of interdependency. Therefore I consider that the marks will be directly confused.

52. In relation to indirect confusion, which has also been claimed by the opponent, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., 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)".

53. These examples are, clearly, not intended to be an exhaustive list but illustrate some of the circumstances in which indirect confusion may arise. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor KC (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.

54. I deem that indirect confusion would also be applicable in this case. Even if the average consumer recognises the differences between the marks, and does not mistake one mark for the other, there will be an expectation on the part of the average consumer that the goods at issue come from the same or economically linked undertakings.

55. As per the principles set out in *L.A. Sugar* cited above, in particular sub-paragraphs (b) and (c), I consider that the applicant's mark will be seen as indicative of an alternative mark or sub brand from the same or economically linked undertaking as the opponent's mark. This is especially so, since the identical component, 'HYDRA', is the dominant and distinctive element in the earlier mark and therefore suggestive of a house mark. It is also compounded by the identical or similar nature of the goods.

CONCLUSION

56. The opposition under section 5(2)(b) succeeds.

COSTS

57. The opponent has been successful and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award the opponent the sum of £1750.00, calculated as follows:

Fee for opposition form	£100
Preparing and filing notice of opposition and considering the other side's counterstatement	£250
Considering the other side's evidence and submissions	£600
Preparing for and attending the hearing	£800
Total	**£1750**

58. I therefore order Peratech Holdco Ltd. to pay MPDV Mikrolab GmbH the sum of **£1750.00**. 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 conclusion of the appeal proceedings.

Dated this 14th day of August 2024

C IRELAND

For the Registrar