BL O/1134/24

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NO. UK 3705109
IN THE NAME OF MASSMAN COMPANIES, INC.
AND OPPOSITION THERETO NO 432809
BY NEM S.R.L.

DECISION

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1. This is an appeal against the decision of Hearing Officer Mr Arran Cooper dated 28 August 2024 in which he partially upheld an opposition – in relation to goods in Class 7 but not in Class 9. The Applicant/Appellant, Massman Companies, Inc., appeals against the part of the opposition which was upheld in relation to Class 7.

2. The mark applied for is as follows:

3. The Opponent/Respondent, NEM S.R.L., is the proprietor of a prior registered mark, UK Registration No. 902408235 registered in classes 7, 9 and 12 in the following form:

4. The Opponent/Respondent also relied on its use of the following unregistered sign under ss.5(2) and/or 5(4) of the Trade Marks Act 1994:

5. The main point in issue on this appeal is whether the use of this unregistered sign amounted to use of the registered mark sufficient to satisfy the proof of use requirements. The Hearing Officer found that it did, and that there was a likelihood of confusion in relation to the class 7 goods because of, amongst other things, a similarity in channels of trade. This is also challenged. Finally, the Appellant also has to overcome a finding of s.5(4) passing off as a result of the use of the unregistered sign. This is appealed on the basis of a lack of relevant goodwill.

6. At the hearing before me which took place on 25 November 2024 the Appellant was represented by Ryan Pixton of Kilburn & Strode. I am grateful to him for his concise yet effective submissions. The Respondent did not appear at the hearing, nor did it submit a skeleton argument.

Standard of Appeal

7. There was no dispute as to this. The appeal is a review not a rehearing. See for example the principles set out by Joanna Smith J. in *Axogen Corp v Aviv Scientific Ltd* [2022] EWHC 95, which include the observations of Iain Purvis QC on appeals against likelihood of confusion in *Rochester Trade Mark* BL 0/049/17. The Hearing Officer must have made a material error or have reached a conclusion that is wrong. It is not enough that the Appointed Person might have arrived at a different evaluation.

Grounds 1-3 – proof of use

8. I will deal with the first three grounds in the TM55 together. They turn on the Hearing Officer's assessment that use of the Opponent's unregistered mark amounted to use of the registered mark. The Appellant submitted that the two marks were different and that the Hearing Officer did not take into account their different overall impression (ground 1). Further it was said that the Hearing Officer misapplied the caselaw, specifically *Dreamersclub Ltd v KTS Group Ltd* BL O/091/19, and wrongly characterised the marks as word marks rather than logo marks (ground 2). He should instead have found that here was no genuine use of the Opponent's registered mark (ground 3).

9. I start with the principles of law.

10. It was not disputed that as a result of the Opponent's registered mark having completed its registration process over five years prior to the earliest priority date of the Applicant's mark, it was necessary for the Opponent to provide proof of use pursuant to s.6A Trade Marks Act 1994. The genuine use provisions were also not in dispute – see *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247 per Arnold LJ at [105]-[106].

11. It was also agreed that pursuant to s.6A(4) Trade Marks Act 1994 "*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*". The issue on appeal is whether the Hearing Officer was correct to determine that the unregistered mark was not different in a way which altered the distinctive character of the registered mark.

12. The Hearing Officer noted at [23] that the use demonstrated in the evidence was use of the unregistered mark. He referred to an extract from the decision of Appointed Person Phillip Johnson in *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22 for guidance as to how to apply the effect of s.6A(4) to the present case. In summarising the relevant law, Mr Johnson explained the principles as follows:

> "15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/*M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually

less likely to change the distinctive character than those related to the word elements.

16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 *CAPTAIN* (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word "MEDIA" would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still."

13. The first and second principles contained in [15] of Mr Johnson's decision are of particular relevance to the present case.

14. The Hearing Officer in the present case summarised the task required to be carried out as follows:

25. In order to consider whether the differences between the mark as registered and the use shown alter the distinctive character of the mark, I will first need to determine the distinctive character of the opponent's mark. Secondly, I will need to consider the changes in the use shown before, finally, determining whether the changes in the use shown alter that distinctive character. If they do not, then the use will be considered an acceptable variant. However if they do, then the reliance upon the opponent's mark will fail on the basis that the use shown will be deemed an unacceptable variant of the opponent's mark.

15. He then applied it in [27] to his assessment of the Opponent's registered mark as follows (with footnotes included below):

"…[the registered mark] will be seen as simply a device that is made up of a number of different shapes. Clearly, the consumers eye will be drawn to the word/letters 'NEM' which will be viewed as the mark's dominant and distinctive element. As for the device, I consider that this will have very little impact on the mark as a whole as

it is fairly banal.[6] Both the word and device element sit within their own black rectangle borders but this will simply be viewed as a banal border element which carries no weight in the mark itself. The mark as used in the evidence is also a figurative mark that consists of the stylised word/letters 'NEM' in blue. This is followed by a small device element (made up of two rhomboid shapes) that is conjoined to the letter 'M'.[7] As was the case with the mark as registered, I find that the mark as used is dominated by the word/letters 'NEM'. In considering the differences between the marks, they are plainly stylised differently and have different device elements placed at different locations within them.[8] That being sad, both marks are dominated by the same distinctive element, being the word/letters 'NEM' with the figurative/stylistic elements playing much lesser roles. On this point, I remind myself that the case of Lactalis (cited above) suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements. Further, I do not consider that the differences in stylisation of the word/letters 'NEM' between the marks alters the distinctive character of the word.[9] Taking all of this into account, I consider that the mark shown above does not alter the distinctive character of the mark as registered and is, therefore, an acceptable variant of the opponent's mark. As a result, the opponent is permitted to rely on use of the same in support of its claim to have genuinely used its earlier mark.

…

6 Even if I am wrong to find as I have above (that the device will not be seen as valves), then their perception as such will be seen as descriptive of the goods at issue in that they are valves or incorporate valves. As a result, they remain banal device elements.

7 On this point, I appreciate that the 'M' is more stylised due to its conjoining with the device element. However, it will still be naturally perceived as the letter 'M' rather than a shape with no verbal element.

8 I appreciate that the colours of the marks differ but as the mark as registered is done so in black and white, it is capable of use in the same shade of blue as used in the mark shown in the evidence. Therefore, the use of colour is not a point of difference between the marks.

9 On this point, I refer to the case of Dreamersclub Ltd v KTS Group Ltd, BL O/091/19 wherein the word 'DREAMS' presented in a heavily stylised and conjoined typeface constituted an expression of the registered word in normal and fair use. I consider that a similar finding can be said to apply here."

16. The Appellant criticised the findings of the Hearing Officer set out in [27] and said that under Ground 1 he had failed properly to take into account the overall impression of the respective marks. It was submitted that there was a significant level of stylisation of both marks and that the overall impression of each was a logo and not simply the letters NEM. The visual impression created by the marks was different and the marks were not variants of each other – the test of confusingly similar was not the correct one to use to determine whether there had been genuine use.

17. Ground 2 of the appeal was founded on the reference to the *Dreamersclub* case in footnote 9. This was a case involving a comparison of word marks and it was submitted that the Hearing Officer fell into error in applying it here when the two marks in issue were both device marks. Overall it was said that the Hearing Officer should not found genuine use of the registered mark.

18. I reject all these criticisms of the Hearing Officer. I consider he applied the correct legal principles in his analysis and was entitled to come to the conclusions he did.

19. First, the main citation he relied on for his application of the law, *Lactalis*, was not limited to word marks. In particular, both the *Hypen* and *M&K* cases from the General Court consider figurative marks and the latter specifically considers the interaction between the figurative and word elements. Further, based on the guidance in these cases the Hearing Officer was entitled to place more emphasis on the word elements of the respective marks than the figurative elements, and to ignore alterations in the non-distinctive elements. He followed this guidance and I consider that he correctly took into account the overall impression created by the two marks by focussing on the distinctive elements, namely the letters NEM. That does not mean that he ignored the other elements – he just found that they were less distinctive.

20. Moreover, when citing *Dreamersclub* it is clear that the Hearing Officer was at that stage confining himself to a comparison between the different stylisations of the word/letters 'NEM' in the two marks. This was an appropriate case to cite for that comparison. It does not mean that he was applying the same reasoning to a comparison of the marks as a whole, which he correctly identified also contained figurative elements.

21. I also think that the Hearing Officer applied due weight to all of the elements of the two marks when comparing them, including their overall impression. This is apparent from his concluding sentences quoted above "*Taking all of this into account…*". It is correct that he broke down the marks into their various figurative and literal constituents to compare them, but that is an inevitable part of the exercise he was required to carry out. He also stood back and compared the marks as a whole.

22. Accordingly, I do not think the Hearing Officer fell into error in reaching his conclusion that the Opponent's use of the unregistered mark amounted to use of the registered mark sufficient to satisfy the proof of use requirements. He was therefore correct to go on to consider likelihood of confusion as he did.

Ground 4 – similarity of goods

23. I turn next to the suggestion that the Hearing Officer erred in his comparison of the respective goods. This was founded on a criticism of his reasoning in [55] of the Decision. It was said that he should have found no overlap in trade channels because, even though it was accepted that the Opponent's goods could be found in the Applicant's goods, the fact that the Applicant's goods were likely to be bought as spares from the providers of the goods themselves precluded this. It was said that there was no evidence that the channels overlapped.

24. To analyse this submission it is necessary to remind myself of what the Hearing Officer found about the fairness of the Opponent's specification, none of which is criticised on appeal.

25. Thus, in [37] he noted that the evidence showed that the Opponent had sold a range of goods that are used as parts of complex machinery. In [38] he held that a 2018 catalogue showed the Opponent had sold the following products:

> Cartridge valves, parts-in-body valves, hydraulic integrated circuits, directional control valves, mechanical and electrical cartridge valves, pressure control valves, pilot operated check valves, flow control valves, coils and connectors.

26. In [41] the Hearing Officer determined that the Opponent worked in the agricultural, machinery, construction, mining and gardening sectors. As a result he went on to hold that the Opponent had used its mark on a wide range of different types of valve and that a fair description of this was "valves (parts of machines)". Further, he noted in [52] that this meant that the Opponent's goods should not be seen as being limited to the sectors he had identified in [41].

27. The Hearing Officer then went on to examine the nature of the Applicant's goods and held in [53] that this covered industry machines that are used in the process of packaging goods such as bottles. In [54] the Hearing Officer held that such machinery included the valves, coils or hydraulic controls covered by the Opponent's specification, and gave the example of a valve being used as a part in the Applicant's machines in order to control the flow of liquids or pressure/gas when bottling drinks or chemicals.

28. He went on to remind himself that just because one good may be a component or part of another, that is not, in itself, a sufficient basis for a finding of similarity. However, as noted above, when he came to give his conclusions in [55] he held that providers of the Applicant's goods, albeit specialist, are likely also to provide parts

and fittings for said machines, such as hydraulic controls and valves. He found that the machines and the parts themselves are likely to be sought from the provider of the goods directly and so there is an overlap in trade channels.

29. Although this last finding is criticised by the Appellant on this appeal, I am unable to detect any error of principle in the reasoning of the Hearing Officer sufficient to undermine it. He analysed the evidence before him, expressed his conclusions as to the nature of the goods and the patterns of trade, and concluded that the respective goods shared a complementary relationship and are similar to between a low and medium degree. I consider that he was entitled to do so and I therefore reject the Appellant's invitation to interfere with the findings as to similarity of goods.

30. In particular, I can see nothing about the fact that the goods might come as spares from the manufacturer of the overall machine to undermine the conclusion based on the rest of the evidence that there is an overlap in trade channels. The fact that "valves" are to be found in both specifications means that goods in either may be supplied as stand-alone items or as spares by entities supplying larger machines.

31. As a result the opposition under s.5(2) must be upheld.

Grounds 5-6 - goodwill

32. Under these final two grounds the Appellant sought to undermine the findings of the Hearing Officer in relation to s.5(4) passing off.

33. The criticism is that the Hearing Officer transferred his assessment of the fairness of the specification of goods under s.5(2) to s.5(4). Instead it is said he should have confined the goodwill of the Opponent to only those sectors of trade in which the Opponent had been active.

34. Since I have already rejected the appeal under s.5(2) it is strictly unnecessary for me to deal with these additional grounds, so I will do so only briefly.

35. I accept the premise of the argument that in theory there might be a difference between the result of narrowing the breadth of the description to be applied to a specification of goods under a non-use analysis and the specific channels of trade in which goodwill has in fact been shown to exist. However, I do not accept that in the present case it is possible to draw such a distinction, or at least a sufficient distinction to make a difference.

36. I have already noted the relatively broad channels in which the Hearing Officer held that there was evidence of use of the Opponent's mark. These are recorded in his

[37]. I think they justify the general categorisation of goodwill as arising in "valves (parts of machines)". In these circumstances I would be reluctant to interfere with the findings of the Hearing Officer in [94] where he found in relation to s.5(4):

> I make this finding because (1) the sign relied upon here is, like the mark relied upon under the section 5(2)(b) ground, dominated by the letters 'NEM' with the only differences coming in the stylistic/device elements and (2) the goods to which the opponent's goodwill is attached are the same as those that were found to be similar above and are, therefore, equally similar to the class 7 goods of the applicant. As a result, I am of the view that everything I said under my confusion assessment applies here.

37. Accordingly, to the extent it matters, I would also dismiss this ground of appeal.

Costs and Conclusion

38. As the Applicant/Respondent has not taken part in the appeal before me, I make no order as to costs, as the Hearing Officer did below.

39. The outcome is that the decision of the Hearing Officer stands. The mark is successfully opposed in relation to Class 7 but may proceed to registration in respect of Class 9: Inspection Systems.

Thomas Mitcheson KC
The Appointed Person
27 November 2024