

o/1142/22

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 3364817
BY CAMBRIDGE QUANTUM COMPUTING LIMITED
TO REGISTER**



IN CLASSES 9, AND 42

-and-

**IN THE MATTER OF APPLICATION No. 3364805
BY CAMBRIDGE QUANTUM COMPUTING LIMITED
TO REGISTER CAMBRIDGE QUANTUM COMPUTING IN CLASS 36**

-and-

**IN THE MATTER OF CONSOLIDATED OPPOSITIONS NOS. OP0000416098
AND OP0000416143 THERETO
BY THE CHANCELLOR, MASTERS AND SCHOLARS OF THE UNIVERSITY OF CAMBRIDGE**

**AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF
MR G SALTHOUSE DATED 21 DECEMBER 2021**

DECISION

1. This is an appeal from a decision of Mr George Salthouse, the Hearing Officer for the Registrar. The Chancellor, Masters and Scholars of the University of Cambridge (“the Opponent”) opposed two trade mark applications made by Cambridge Quantum Computing Ltd (“the Applicant”), and now appeal the decision which rejected both oppositions.

Background

2. The trade mark applications were filed on 4 January 2019. Application No 364817 was for a device mark:



That application was for computer hardware and software as well as certain more specialised computing goods in Class 9, for a range of financial and 'incubation' business services in Class 36, and for research and design services in Class 42, as set out in Annex A to this decision.

3. The second application, No. 3364805 was for the word mark CAMBRIDGE QUANTUM COMPUTING but covered only the same services as the device mark in Class 36.
4. The oppositions were based upon sub-sections 5(2)(b) and (3), relying upon a dozen earlier marks all consisting of or including the word CAMBRIDGE (e.g. UNIVERSITY OF CAMBRIDGE, CAMBRIDGE CORE, CAMBRIDGE ENGLISH). Most of these marks have wide and very lengthy specifications. By way of example, UK Mark No. 3015609, CAMBRIDGE, which was relied upon for both s 5(2)(b) and 5(3), has a specification running to some 1600 words just for the goods in Class 9. The Opponent pleaded that it relied upon all of the goods and services covered by No. 3015609 and claimed a reputation for all of them. The Hearing Officer set out the whole of the 12 specifications in his Decision and they run from pages 4 to 62.
5. The Hearing Officer made various adverse comments at [59]-[65] of the decision about the 'cavalier' behaviour of the Opponent in pleading such a wide range of goods and services, and criticised it for having at various stages changed its case as to which of the goods and services were said to represent its best case. Not surprisingly, it seems to me, he viewed the approach taken as unnecessarily complicated. In any event, the Hearing Officer said that in its written submissions dated 1 November 2021 the Opponent indicated that it wished to rely only upon the following 5 marks and the limited number of classes shown below:

	Mark	Number	Classes
1	CAMBRIDGE	UK 3015609	9, 16, 41
2	CAMBRIDGE	EU12019733	9, 16, 41
3	CAMBRIDGE	UK 3243445	42
4	UNIVERSITY OF CAMBRIDGE / CAMBRIDGE UNIVERSITY	UK 2137966	36
5	CAMBRIDGE ASSESSMENT	UK 3268106	9, 16, 41, 42

It was not suggested to me that the Hearing Officer had misunderstood the Opponent's position on this restriction of its Opponent's case, and this does not form any part of the appeal.¹ Indeed, as explained below, on the appeal the Opponent concentrated on an even narrower point, relying essentially upon its CAMBRIDGE *solus* marks.

6. The Opponent claimed a reputation in relation to its core educational and research services, publishing services, and related goods.
7. Most of the earlier marks were not subject to proof of use, and the Applicant restricted its request for proof of use to the Class 36 services for which the Opponent's UNIVERSITY OF CAMBRIDGE mark No 2137966 is registered. The Opponent sought to prove use of the mark in relation to financial services, but the Hearing Officer did not accept that it had succeeded in doing so. Again that element of the decision is not

¹ Nevertheless, rather strangely in the circumstances, the Hearing Officer's analysis of the identity/similarity of the parties' goods/services took into account parts of the specifications of marks/classes not included in the 5 mark list, reflecting instead the intermediate position which the Opponent had set out in submissions dated 6 April 2020. The Opponent had pleaded that it had a family of six marks sharing the name CAMBRIDGE. The Hearing Officer did not accept that the evidence established there was such a family of marks, and as that point is not the subject of the appeal, I need consider it no further

appealed, and the Class 36 services were not discussed on the appeal.² That means that the appeal relates in effect only to the device mark, No. 3364817.

8. In addition, the Opponent relied upon sub-section 5(4)(a) and claimed goodwill in the name CAMBRIDGE in relation to printed matter and a range of services, including but not limited to educational services, namely: printed matter; provision of training, teaching, examination and assessment services; education; provision of courses of instruction; lectures and seminars; arranging and conducting conferences and seminars; library services; publication services; provision of distance learning courses; provision of recreational and sporting facilities; scientific research; academic research; downloadable publications; educational consultancy; educational information services.
9. Both parties filed evidence, including the Opponent's evidence providing proof of use (so far as required), and as to its reputation and goodwill, and a hearing took place before Mr Salthouse. Both at that hearing and on the appeal the parties were represented by Mr Wood for the Applicant and Mr Stobbs for the Opponent.
10. The Hearing Officer rejected both oppositions on all grounds. The Opponent appealed saying that the oppositions should have succeeded on the basis of ss.5(2)(b), 5(3) and 5(4)(a) and its Grounds of Appeal stated (in essence) that the Hearing Officer had erred in the following areas:
 - (1) In the assessment of the reputation and distinctive character of the earlier marks (especially for research services in Class 42), including his assessment of the impact of the "Cambridge cluster,"³
 - (2) As to the coverage of the terms in the Applicant's specifications which relate directly or indirectly to quantum computing, and

² The NORTH WEST CAMBRIDGE mark originally pleaded, which also covered a wide range of services in Class 36, and was not subject to proof of use, is not one of the 5 marks listed above.

³ This "cluster" consists of a large number of businesses in and around Cambridge providing hi-tech goods and/or services. Some but not all of them are affiliated to the Opponent, and some but not all include CAMBRIDGE in their name. See below.

- (3) As to the impact of the words QUANTUM COMPUTING on the distinctiveness of the marks applied for, at least in relation to goods or services relating to the field of quantum computing.

Principles applicable to the appeal

11. The standard of appeal is by way of review. The relevant principles were not in dispute. They have recently been conveniently summarised by Joanna Smith J. in *Axogen Corp v AVIV Scientific Ltd* [2022] EWHC 95 (Ch), [2022] ECC 19 at [24], and the only additional point I would add to that summary is the point made by Mr Iain Purvis QC sitting as the Appointed Person in *Rochester* BL O/049/17 said at [33]:

“... the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:

- (i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case
- (ii) The legal test ‘likely to cause confusion amongst the average consumer’ is inherently imprecise, not least because the average consumer is not a real person.
- (iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal.
- (iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence. ... Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case.”

Merits of the appeal

12. The Opponent accepted in its appeal skeleton that its best case was based on the first three of the marks identified above, all of which are just for the word CAMBRIDGE. In relation to Class 42 it relied upon Mark No 3243445, the specification of which covers

a range of services in Class 42 including the broad term 'scientific and technological services and research and design relating thereto.' Mr Stobbs accepted before me that if the Opponent could not win on the CAMBRIDGE solus marks, and in relation to quantum computing, research relating to quantum computing and 'highly related goods and services,' it would not win in relation to the rest of the application. He said that the Opponent's objection to 'research in the field of quantum computing' in the Applicant's Class 42 specification was probably the high point of its case, but contended that if it won on that it should succeed in opposing registration of the Applicant's marks for any broad terms that incorporate research relating to quantum computing. As a backstop, Mr Stobbs indicated that they would rely on the reputation of the UNIVERSITY OF CAMBRIDGE marks for the case based on s 5(3).

13. The Opponent thus appeared to further narrow its case on the appeal, in contrast to the broadly worded Grounds of Appeal, at least in terms of the marks relied upon. However, it did not identify the terms in the Applicant's specifications which the Opponent said related directly or indirectly to quantum computing, or research on quantum computing, either in the Grounds of Appeal or in the skeleton argument for the appeal. Rather than try to deal with this at the hearing, and require Mr Wood to respond off the cuff, I directed the Opponent to provide a list of such goods and services after the hearing. That, it turned out, covered virtually all of the Applicant's Class 9 goods and Class 42 services, but (as I read the document provided) nothing in Class 36. That list is at Annex B to this decision. The narrowing of the Opponent's case was, therefore, more as to the earlier rights relied upon than as to the parts of the specifications to which objection was taken. The Applicant responded to the list at some length, as well as dealing with some further points which had arisen only at the hearing of the appeal.
14. The changes in the Opponent's case on appeal therefore (albeit to a lesser extent) continued the ebb and flow of its arguments below. It is unfortunate that the Opponent's full case was not made clear in the Grounds of Appeal or otherwise before the hearing, requiring both parties to supply me with additional documents and points

after the hearing. Certainly, it would have been preferable for the whole appeal case to have been discussed at the hearing.

Reputation for Class 42 services

15. In my judgment, it is helpful to take the issue about reputation first as this was, it seems to me, the high point of the case as argued on appeal. The Opponent submitted that the Hearing Officer had erred in rejecting its claim to a reputation for research services in Class 42 in Mark No 3243445 for the purposes of its s 5(3) objection and a matching claim to goodwill in research services for its s 5(4)(a) objection. It had also claimed reputation in relation to publishing and the provision of graduate and postgraduate education. The reputation for education had been admitted by the Applicant.

16. The Hearing Officer dealt with reputation at paragraphs 102-106. At paragraphs 104-5 he set out the parties' respective submissions at length. However, he did not say which points he accepted, and which he rejected. Mr Wood submitted that the result showed he had accepted the Applicant's arguments, but there is nothing to show whether he did so, whether as a whole or in part, or why he presumably rejected the Opponent's submissions. In paragraph 106 the Hearing Officer simply said:

"Taking into account the submissions of both parties but more particularly considering what the evidence actually shows it is my view that that the opponent has a reputation in respect of "electronic publications, printed publications in electronically readable form; examination and assessment" in class 9, the whole of its class 16 specification which I shall for simplicity refer to as "publishing" and "providing of graduate and postgraduate education" in class 41. As such it gets over the first hurdle of reputation in respect of its earlier marks in respect of these goods and services only. It is clear that the University is engaged in a number of enterprises but these do not trade under the marks relied upon and so cannot be taken into account."

17. That paragraph therefore contained no clear reasons as to why the Hearing Officer had rejected the Opponent's claim to a reputation in research, unless the last sentence of paragraph 106 is supposed to explain his thinking, which is not clear to me at all. Moreover, that sentence seems to me to be hard to justify in light of the Opponent's evidence of the scope of research carried out under the CAMBRIDGE name.
18. The Opponent invited me to find that no reasonable tribunal could have come to the conclusion that it has no reputation in relation to research, in light of the evidence it had filed, consisting of two witness statements by its Brand Protection Manager, Mr Carmichael. The Applicant however submitted that paragraph 106 was adequately reasoned if one took into account the Hearing Officer's summary of and comments on Mr Carmichael's evidence at paragraphs 9-11 of the decision, as well as his comments at paragraph 75.
19. It is clear both from the decision and from the transcript of the hearing below that the Hearing Officer took a dim view of Mr Carmichael's evidence, for instance stating that Mr Carmichael's evidence in reply added very little if anything to the case. He did not (and could not have) directly cast doubt on the witness's veracity, which had not been challenged, but he considered that Mr Carmichael was unrealistic (the term he used, unfortunately, in my judgment, was 'delusional') as to what the evidence showed in terms of the breadth of the Opponent's reputation, and had claimed far greater distinctiveness and reputation than could possibly be justified. Mr Carmichael gave a good deal of evidence about the Opponent's use of the Cambridge name in relation to research of various kinds, and a number of his exhibits were intended to support those parts of his witness statements. It seems to me that the Hearing Officer's summary of Mr Carmichael's evidence concerning research is far from complete. For example, he said at paragraph 10:

"Mr Carmichael states that there are 140 centres and institutes managed by the University which carry out research. Not all of these have the name Cambridge within their titles, (of the 57 listed at exhibit LC16 just over half had the word "cambridge" anywhere in their name); but Mr Carmichael states that "When there is research being undertaken under the Cambridge name, that name refers

to the University of Cambridge. This is due in part to the strong connection that the University has to the “Cambridge Cluster”, a set of companies and industry initiatives that has been built upon the research of the University, and which grows under the support and aegis of the University”. He then goes on to state that “Today, Cambridge is Europe’s largest technology cluster. Around 57,000 people are employed by the more than 1,500 technology-based firms in the area, which have a combined annual revenue of over £13 billion”. He also mentions the company Cambridge Innovation Capital plc which the University has invested in, although it is clear that the vast majority of funding raised by this company comes from other investors, and its link to the University is unclear, save that the University invests with the company. He then makes the astonishing claim that “the work, research and development that takes place within these companies [the cluster] and institutions is all directly linked to, and results from, the input and support of the University”. Why the average consumer would view the word “Cambridge” as meaning the University as opposed to seeing it as an indication of geographical location is not made clear. I am willing to accept that many of these companies may have been formed by or employ former students of the University, but that does not mean that any goodwill an independent accrues belongs to the University.”

20. Whilst obviously a Hearing Officer need not refer to every detail of the evidence filed, Mr Salthouse did not refer to extensive parts of Mr Carmichael’s 1st witness statement as well as some points from his evidence in reply, which he said (wrongly, in my view) added little if anything to the case. Points which strike me as significant which were not mentioned include:
- The Opponent has eight Interdisciplinary Research Centres which are managed by the University regardless of support or sponsorship by grant making bodies or industry. Staff are employed by the University and the Centres’ websites are hosted on the University domain.cam.ac.uk;
 - More than 1,500 tenured academics at the University are engaged in research, as well as more than 3,000 contract research staff and 4,000 PhD students ;

- Over the last ten years researchers associated with the University have received a total of more than £3.3 billion in research grants and contracts from major research funding bodies, industry partners and organisations (such as Arup UK, BT & Huawei Technologies, GSK, Jaguar Land Rover, and Alzheimers Research UK (+ Medical Research Council)). The Hitachi Cambridge Laboratory conducts research on quantum computing. University researchers work with hundreds of clients in Industry and government in the UK and abroad on numerous different contracts;
- More than 140 University centres and institutes contribute to specific areas of research – as the Hearing Officer noted, of those listed in exhibit LC 16, around 27 include the name Cambridge (e.g. The Cambridge e-science centre, Cambridge Institute for Medical Research, Cancer Research UK Cambridge Institute, Cambridge Neuroscience, Cambridge Institute of Public Health, Cambridge Stem Cell Institute and Cambridge Immunology);
- Mr Carmichael gave a breakdown of income split between different kinds of funders, for instance in 2015-16 research projects received £23m from UK industry and £49m from Government;
- The University founded Cambridge Enterprise in 2007. In his second witness statement, Mr Carmichael explained that Cambridge Enterprise was part of the University and exhibited a document describing it as the commercialisation arm of the University. It aims to enable researchers to commercialise their expertise and ideas and share University research with Industry and Government;
- Over the last 10 years, Cambridge Enterprise has handled contracts for consultancy and the licensing of research worth over £105 million;
- The University does not simply conduct research, but provides support and funding for spin-out companies which commercialise that research;
- Cambridge researchers have won numerous awards;
- In August 2021, the University was named as one of the world’s top ten quantum technology research institutions.

21. In the light of the entirety of the evidence, it is difficult to understand how the Hearing Officer concluded that the Opponent had not acquired a reputation for the name

CAMBRIDGE for research. If he applied the right analysis to the point, in my judgment one cannot discern his reasoning from the decision. Taking the passages in which, according to Mr Wood, he set out his reasoning, it seems to me that none of them provides any or any adequate reasoning for his conclusion on reputation for research.

22. First, in paragraph 10, in my view the Hearing Officer did not deal with the claim to a reputation at all, though he commented that Mr Carmichael was wrong to claim that all of the businesses in the Cambridge “cluster” would be linked to the University, such that any goodwill those businesses generated would not benefit the Opponent. That is not the same point. Moreover, he concentrated on the cluster, but apparently ignored the fact that the claim to a reputation was not based solely upon Mr Carmichael’s views about the impact of the cluster. In paragraph 106, the Hearing Officer simply said that the evidence did not prove a reputation beyond publications/publishing and education. He did not explain why, in his view, it did not extend to research. If by the last sentence of the paragraph he meant to refer to a lack of trade in research, that is hard to reconcile with Mr Carmichael’s evidence of the very extensive sums paid to Cambridge researchers and research institutes by industry and other bodies for research, and the millions generated for consultancy and the licensing of research.
23. Secondly, I do not consider that (as Mr Wood suggested) anything in paragraph 75 helps explain the Hearing Officer’s finding that there was no reputation for research. First, paragraph 75 formed part of the Hearing Officer’s analysis of the similarity of the parties’ marks. The Hearing Officer does not appear to me to have considered any enhanced distinctiveness when considering the conceptual similarity of the marks, and rightly so (see Professor Annand’s comments sitting as the Appointed Person in BL O/516/20 *Cambridge Spark* at ¶¶70-71).
24. Both sides accepted that it was odd that when assessing the conceptual similarity of the marks in paragraph 75 the Hearing Officer said that Cambridge “is well known as a university city and a seat of learning for university students” and “I do not accept the entirety of the opponent’s claims regarding reputation but to this limited extent I do

...” That point was irrelevant to the point he was considering in that paragraph. Nevertheless, there was no separate reasoning in that paragraph about the wider claim to reputation; indeed, on its face, what is said about reputation in paragraph 75 does not even accurately reflect the findings in paragraph 106. Furthermore, the Hearing Officer did not say anywhere that he rejected the claim to a reputation for research services because of the low (or lack of) inherent distinctiveness of the name CAMBRIDGE mentioned in paragraph 75.

25. Finally, in paragraph 124 of the decision the Hearing Officer assessed the Opponent’s claim to goodwill for its s 5(4)(a) case. He said:

“Earlier in this decision I have set out the reputation I believe that the evidence supports, this same evidence is relied upon for the goodwill claimed, but unfortunately for the opponent their claims for goodwill far outstrip the evidence. They have not filed evidence that any commercial activity is carried out under the Cambridge mark. It undoubtedly offers publishing services and educational services (limited to pre and post graduates) as well as examination setting, but all of this is under the Cambridge University mark. As to any activity under the marks Cambridge Big Data, Cambridge Cardiovascular, or Cambridge Neuroscience, whilst these may be subsidiaries of the University it is unclear from the evidence that this is well known. The evidence shows that many of the “affiliates” claimed do not even use the term CAMBRIDGE in their name. The opponent may believe that every reference to Cambridge is somehow linked to the University, but this is not how the real world sees matters. Increasingly, Cambridge is becoming an industrial city which happens to have a university and the days when the then town of Cambridge revolved entirely around the University have long since disappeared.”

26. This last paragraph provides perhaps the clearest explanation of the Hearing Officer’s thinking on reputation, by analogy with the claim to goodwill. He thought that the Opponent’s claims were exaggerated, and that there was no evidence of any commercial activity (in research) carried on by the Opponents. Yet in my judgment nowhere did the Hearing Officer explain with any clarity or specificity his reasons for

rejecting the Opponent's claim to a reputation for research. This was unfortunate, especially as this point was discussed and relied upon at the hearing before him, although it may be understandable given the unwieldy breadth of the specifications which the Opponent was relying upon at that stage.

27. Furthermore, in my view, the suggestion that the Opponent had not filed evidence of any commercial activity carried out under the CAMBRIDGE mark is very odd, as the evidence which I have mentioned above, even ignoring all of the evidence about the so-called cluster, shows significant use of the CAMBRIDGE mark in relation to a range of scientific research services over a number of years and across a range of disciplines. Millions of pounds have been paid to the University by commercial bodies and government to fund research by institutes and bodies which are part of or affiliated to the University, and very substantial sums generated for consultancy and the licensing of research. The names of many of those institutions include the name CAMBRIDGE, often together with other descriptive words (e.g. Cambridge Neuroscience, Cambridge Institute of Public Health, Cambridge Stem Cell Institute).
28. Given the lack of reasons in the decision, and taking into account the Opponent's evidence, it seems to me that the Opponent is right to say that the Hearing Officer fell into error on this point.
29. The specification of mark No 3243445 CAMBRIDGE is quite lengthy and contains a large number of terms relating to research services of various kinds. The Hearing Officer commented at paragraph 10 that it was not clear why consumers would see Cambridge as referring to the University rather than as an indication of geographical origin. However, it seems to me that, in the context of research, the evidence of the Opponent's use of the word over a number of years which I have listed above is quite sufficient to prove a reputation at least for the scientific research services in that specification. I do not consider that the evidence proves a reputation for all of the many specific sub-categories of services, but I think it is right to say that the Opponent has a reputation for the word CAMBRIDGE for scientific research. That finding is,

happily, consistent with the finding of goodwill for research in the *Cambridge Neurotech* case mentioned below.

Distinctiveness

30. The Opponent also said that the Hearing Officer erred in his assessment of the distinctiveness of the word Cambridge. Unfortunately, I think it fair to say that the decision was not clear or consistent on this point. At various points the distinctiveness is described as low, at others, as non-existent. The Hearing Officer variously said:

- (1) At paragraph 75, that CAMBRIDGE simply identifies a city or county;
- (2) At paragraph 86, that CAMBRIDGE was not distinctive for hi-tech goods in Class 9 or hi-tech services in Class 42, but at 87 that it is of low distinctiveness for those goods/services, whilst CAMBRIDGE UNIVERSITY is of average distinctiveness in respect of the goods and services in Classes 9 and 42;
- (3) At paragraph 99, that CAMBRIDGE “has been shown to be lacking in distinctiveness in relation to anything connected to hi-tech goods or services because of the existence of the Cambridge cluster;” and
- (4) At paragraph 111, that the only point of similarity between the parties’ marks is “the word CAMBRIDGE which is of low distinctiveness as all it conveys is an association with the city [or] county of Cambridge/Cambridgeshire.”

31. The Hearing Officer set out a lengthy passage from my own judgment on appeal in BL O/003/20 *Cambridge Neurotech*, as to the assessment of inherent distinctiveness of geographical terms (again, relating to Cambridge) and the potential for this to vary according to the goods and services concerned. In paragraphs 86-7 he summed up his views on the instant case, saying:

“86) In the instant case the evidence is, not surprisingly, very similar to that considered by the Appointed Person in that it is clear that there is a large cluster of hi-tech companies in and around the City of Cambridge and within Cambridgeshire. It is clear that a great many of these companies have no link to the University, despite the inflated claims made by the opponent. It is also obvious from the evidence that the existence of this cluster is widely known. Therefore, as the Appointed Person stated for the hi-tech goods and services in classes 9 &

42 the mark CAMBRIDGE is not a distinctive mark. Further, as is common in all cities there will be companies offering financial and real estate services amongst others in class 36. Therefore, the term CAMBRIDGE is not a distinctive mark for such services. Turning to the opponent's other marks, CAMBRIDGE UNIVERSITY is clearly a mark of average distinctiveness in and of itself, whilst CAMBRIDGE ASSESSMENT to my mind is not distinctive as it only suggests that a valuation or judgement will be made by a Cambridge based person / company. As no use has been shown of this mark it cannot benefit from enhanced distinctiveness through use. I accept that CAMBRIDGE UNIVERSITY has established a reputation with regard to undergraduate and postgraduate studies and education the opponent has considerable world-wide reputation. It also has considerable reputation and use in respect of setting assessment and examinations for use by schools. It also has a reputation in respect of publishing, however, none of these services are in any way similar to those of the applicant and so for the purposes of the comparison tests.

87) In conclusion, "Cambridge" and "Cambridge Assessment" are of low distinctiveness in respect of the goods and services in classes 9, 36 & 42. The opponent's mark "Cambridge University" is of average distinctiveness in relation to the goods and services in classes 9, 36 & 42."

32. I expressed concern at the hearing of the appeal that in paragraphs 86 and 99 the Hearing Officer appeared to say that the marks had no distinctiveness at all for the Class 9 goods and Class 42 services. As the marks are validly registered, they must of course (applying *Formula One*) be deemed to have at least the minimum necessary level of distinctiveness. Happily, I do not think that in paragraph 86 the Hearing Officer meant precisely what he said, as in paragraph 87 he went on to say that CAMBRIDGE was of low distinctiveness for those goods and services.
33. Something seems to have gone awry with the end of paragraph 86, but I think it is tolerably clear that the Hearing Officer considered that the Opponent's reputation for educational services and publications/publishing would not have improved the distinctiveness of its marks in relation to goods in Class 9 or services in Class 42, or

(perhaps) have increased any likelihood of confusion in relation to such goods/services. I consider that this was a finding which was open to him (and I am not sure that the Opponent contended otherwise).

34. However, the Hearing Officer was wrong in saying in paragraph 86 that I had found in the *Cambridge Neurotech* case that CAMBRIDGE was not distinctive for services in Class 42, by reason of the “cluster” of hi-tech businesses around the city. In that case, the issue of the distinctiveness of the opponent’s marks was not considered on appeal in respect of Class 42, as there was no relevant registered mark. On the other hand, the Hearing Officer had found that the University had a very strong reputation and goodwill in respect of research including research in the field of neuroscience, and upheld the objection under s 5(4)(a) to the applicant’s research services. That point was not appealed although other issues were raised in relation to his application of s 5(4)(a) in relation to Class 9 goods. The Hearing Officer in this case was therefore wrong to rely upon that earlier decision so as to find that CAMBRIDGE is not distinctive (or of low distinctiveness) for Class 42 services.

35. In my judgment the Hearing Officer should have considered separately whether the Opponent had enhanced the distinctiveness of its CAMBRIDGE mark for scientific research services in Class 42, given the evidence discussed above in relation to reputation. Apart from his comment in paragraph 86 it seems to me that he did not carry out that analysis, and I accept that this is a lacuna in the decision and amounts to an appealable error.

36. Mr Stobbs contended that if there was a reputation for the purposes of the s 5(3) objection, there must also be some level of enhanced distinctiveness, and he referred me to a decision of Professor Johnson sitting as the Appointed Person in BL O/393/19 *CX02.com*. Mr Wood submitted in his post-hearing submissions that the decision does not show that enhanced distinctiveness necessarily follows from a finding of reputation, as reputation shows that potential consumers know of a mark, whilst distinctive character depends on how strongly the mark identifies the goods/services

of one undertaking. In that case Mr James had said at paragraph 36 of his first instance decision:

“... the most relevant aspect of this part of the opponent’s case is the extent and strength of the opponent’s marks in relation to telecommunications goods/services. The conceded reputation of the earlier marks in relation to telecommunications services does not mean that the earlier marks are highly distinctive for all such services. As Judge Hacon stated in *Burgerista*, “*Reputation constitutes a knowledge threshold.*” The nature of the reputation may bring with it other qualities and values, but in the first instance it is simply a question of how many of the potential consumers of the goods/services covered by the earlier mark know about it. By contrast, distinctive character is a measure of how strongly the mark identifies the goods/services of a single undertaking. Distinctiveness and reputation are therefore different albeit related matters.”

37. Professor Johnson in his decision on the appeal commented at paragraph 39

“...I agree with the Hearing Officer that reputation in itself does not make a mark highly distinctive. However, while distinctiveness and reputation are different, the nature, factors, and evidence used to prove enhanced distinctiveness are the same as for reputation. Furthermore, reputation for the purposes of section 5(3) is a higher threshold than for acquired distinctiveness. In other words, if there is a reputation then distinctiveness should be enhanced. Where it fits on the distinctiveness scale after this enhancement is a question of fact in each individual case.”

38. Had the Hearing Officer found a reputation for research services, as I consider he should have done, Professor Johnson’s approach would, therefore, have suggested that the distinctiveness of the mark for those services should also have been found to be enhanced. As Professor Johnson said, *how far* the level of distinctiveness is raised is wholly fact specific.

39. One must first identify the starting point, and I agree with the Hearing Officer that the inherent distinctiveness for research services would be low. In order to assess how

much the low inherent distinctiveness of mark No 3243445 CAMBRIDGE was enhanced by use of the mark for research services, the Opponent rightly said that the Hearing Officer had to consider the impact of the so-called cluster. As I said in the *Cambridge Neurotech* case, the fact that Cambridge is a geographical location does not mean that a mark consisting of that name is automatically of very low distinctiveness for *all* goods and services. Context is important as to the nature of the location and as to any existing businesses connected with it. The average consumer of all of parties' goods and services would be likely to know that there are industries and trades of various kinds and around based in the city so that CAMBRIDGE is unlikely to be an inherently very distinctive term for a wide range of goods and services. More particularly, as in *Cambridge Neurotech*, it seems to me that the evidence in the current case showed large numbers of 'hi-tech' businesses, located in and around the city.

40. Mr Stobbs sought on the appeal to downplay the significance of the cluster, suggesting that it did not affect the distinctiveness of the marks. I have some difficulty with that argument given the contrary claims about the cluster made in Mr Carmichael's witness statement. On the other hand, I was not impressed by the opinions expressed (without supportive reasoning) by the Applicant's witnesses, who suggested that the general public's knowledge of the cluster enables it to distinguish the goods/services of the University from those of unconnected businesses.
41. It was clear from the factual evidence that whilst some of the many businesses in the cluster are connected directly or indirectly with the University, others are independent of it. Some but not all of those businesses have CAMBRIDGE in their name. Looking at the evidence as a whole I conclude that the existence of businesses in the cluster which are independent of the University is a fact likely to be known to the average consumer, and perhaps still more likely to be known to the more specialist consumer of scientific research services. It does not seem to me that the Hearing Officer erred in this regard.

42. Taking all of those factors into consideration, it seems to me that the Opponent's use of its mark No 3243445 CAMBRIDGE for scientific research services will have enhanced its inherently low distinctiveness, but given the low starting point of minimal inherent distinctiveness, and the existence of many independent businesses in the cluster, at best its distinctiveness will have risen to an average level.
43. The Opponent raised an additional point on the appeal relevant to the assessment of the likelihood of confusion, saying that the Hearing Officer failed to take into account the descriptiveness of the words QUANTUM COMPUTING in the Applicant's marks for goods/services related specifically to quantum computing, although the Hearing Officer had rightly accepted during the hearing below that a general term such as computer software would include and therefore be identical to computer software for quantum computing (e.g. the Applicant's 'downloadable computer software for quantum computing'). It is right to say that the Hearing Officer did not advert to this point in his summary of his conclusions on likelihood of confusion in paragraph 99 of the decision, although he had noted the Opponent's submissions to that effect in his paragraph 95. However, I think it is clear from his lengthy assessment of the similarity of the parties' goods/services in paragraphs 42 onwards that he had taken this point on board. He also mentioned the point in paragraph 75 which seems to set out his reasoning on the point (although oddly this was set out in the context of his assessment of the conceptual similarity of the marks). He made two findings there which seem to me to show that he had considered the Opponent's submissions about the impact of the words QUANTUM COMPUTING in relation to goods/services directly related to quantum computing. First, that "even if the goods and services did directly relate to quantum computing this does not mean that these words should be blithely ignored, or that they do not help differentiate the marks of the two parties." Secondly, he took into account that quantum computing "is a highly specialised field with very few companies active in the UK, anyone seeking the services of such a company is likely to be aware of the limited choice, and their selection will be very carefully made."

44. In the circumstances, whilst it is perhaps unfortunate that in his summary at paragraph 99 the Hearing Officer did not refer directly to the descriptiveness point, it seems to me that he had considered it, and his findings on it are to be found in paragraph 75 and (implicitly) in his analysis of the similarity of the goods and services. It does not seem to me that he can be said to have missed the point, or made a manifest error in his assessment of it. In those circumstances, this aspect of the appeal must fail.
45. Nevertheless, as I am differing from the Hearing Officer in relation to the distinctiveness of the earlier mark No 3243445 CAMBRIDGE for research services, it is necessary to re-evaluate the global assessment of a likelihood of confusion, but only in so far as it is based upon that mark and those services. Both parties were happy for me to do that, rather than remit the applications to the Registry.

Assessment of likelihood of confusion

46. The Hearing Officer's assessment of the likelihood of confusion starts at paragraph 88 of the decision where he mentioned specifically the importance of the distinctiveness of the earlier marks "as the more distinctive the trade mark is, the greater the likelihood of confusion." After summarising his earlier findings, and both sides' submissions, he concluded at paragraph 99:

"99) ... the goods and services in question are likely to be chosen with above average care. The five marks relied upon by the opponent are only similar to a low degree to the two marks in suit, the only point of similarity being the word CAMBRIDGE which has been shown to be lacking in distinctiveness in relation to anything connected to hi-tech goods or services because of the existence of the Cambridge cluster also known as Silcon [sic] Fen. In my opinion even when used on identical goods and services, and even allowing for the concept of imperfect recollection, and the reputation of the opponent under Cambridge University the differences in the marks of the two parties is so great that there is no likelihood of consumers being confused, directly or indirectly, into believing that the goods and services applied for and provided by the applicant are those of the opponent or provided by an undertaking linked to it. The opposition under Section 5(2) (b) therefore fails in respect of all the goods and services."

47. It is therefore clear that a significant element of his assessment of the likelihood of confusion under s 5(2)(b) was the Hearing Officer's view of the lack of distinctiveness (or low level of distinctiveness) of the CAMBRIDGE mark. As I have found that the mark has average distinctiveness for scientific research services in Class 42, that it is necessary to re-assess the likelihood of confusion.
48. I note that at paragraph 31 the Hearing Officer said that "for the most part, the cost of the goods and services will vary considerably, but bearing in mind that the average consumer will wish to ensure they are selecting the correct type of software or hardware, or technical service (be it financial or industrial), they will pay an above average level of attention when selecting the goods and services so as to ensure they meet their criteria. I therefore find that relevant average consumers will pay at an above average degree of attention (or higher) when selecting the goods and services at issue." This finding was not criticised on the appeal, and it seems to me that the average consumer for the Applicant's mainly specialist Class 42 services is especially likely to choose a service provider with care.
49. The Hearing Officer found many of the Applicant's Class 42 services to be identical or similar to the Opponent's services but rejected submissions of similarity to other parts of the Opponent's specifications. His analysis as to which of the Applicant's goods/services were identical or similar to the Opponent's goods or services was helpfully set out in tabular form at paragraph 88 of the decision.
50. So far as mark No. 3243445 is concerned, the Hearing Officer found that the Opponent's specification of "design and development of computer hardware and software" was similar to a medium to high degree to the Applicant's specification for hardware in class 9. However, as I have not found enhanced distinctiveness for those specific services, I consider that there is no appealable error in the Hearing Officer's finding that there was no likelihood of confusion for such goods.

51. As to the Applicant's Class 42 services, the Hearing Officer's analysis is at paragraphs 53-56 of his decision. At paragraph 53 he noted that the parties had agreed that the Applicant's Class 42 services could be split into three groups. The first group was "Research" and encompassed

"Scientific and technological services and research and design relating thereto; Industrial analysis and industrial research services; technology consultation and research in the field of quantum computing, quantum programming, quantum engineering, quantum algorithms and cryogenics; information, advisory and consultancy services relating to the aforesaid."

The other services were put into two categories consisting broadly of services for the design of computer hardware and software.

52. At paragraph 54 the Hearing Officer found

"the opponent's registration in class 42 of "Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software" (UK 3243445, UK3060815, UK 3268106, UK 3092555 and UK 3294047) is identical to the part of the applicant's specification classified as "research"... in class 42, as the services clearly overlap completely."

He found no other goods or services identical or similar to the Opponent's Class 42 research services.

53. Mr Wood submitted that where the services concerned are specialist in nature, there would still be no likelihood of confusion with the Opponent's scientific research services. I do not agree. In my judgment, when one factors in the enhanced distinctiveness of the Opponent's research services, the identity of those services to the Applicant's Class 42 'research' services (as identified in the decision) is a significant factor in that global assessment, as is the fact that many of the Applicant's Class 42 research services are directly related to quantum computing, making those words less distinctive and less likely to differentiate the Applicant's marks from the Opponent's mark. In the circumstances, and despite the differences between the marks which

would be evident to the average consumer of such services, I conclude that there is a likelihood of indirect confusion in relation to the 'research' category of services.

54. The Opponent provided me after the appeal hearing with the list of goods/services which is at Annex B to this decision. It appears that it contends that there would be a likelihood of confusion if the device mark were used in relation to almost all of the remaining goods and Class 42 services. This does not seem to me to be correct, given the Hearing Officer's unchallenged findings that those goods/services are not similar to the scientific research services in the Opponent's registration. Such goods/services could only be opposed on the basis of sub-sections 5(3) or 5(4)(a).
55. I conclude that the appeal under s 5(2)(b) succeeds only in relation to Class 42 "Scientific and technological services and research and design relating thereto; Industrial analysis and industrial research services; technology consultation and research in the field of quantum computing, quantum programming, quantum engineering, quantum algorithms and cryogenics; information, advisory and consultancy services relating to the aforesaid."
56. In the circumstances, it is necessary to deal with the appeal under s 5(3) and 5(4)(a) only in so far as it may improve the Opponent's position and lead to the rejection of the mark for a wider range of goods/services than those listed above.
57. As to 5(3), the only point made by the Opponent in its skeleton argument was that if the Hearing Officer had found a reputation for research services, he would have found a link for the purposes of s 5(3). This reflects paragraph 8 of the Grounds of Appeal in which it was submitted that "The failure by the Hearing Officer properly to assess the extent to [sic] the reputation of the [Opponent] ... especially in relation to research services in Class 42, directly impacts on ... the scope of the opposition under s 5(3) and the assessment of link ..." Mr Stobbs said that the Opponent's best case was based on CAMBRIDGE solus for research services, though as a backstop, they would rely on the reputation of the UNIVERSITY OF CAMBRIDGE marks for the case based on s 5(3). In the end, he made no specific submissions based upon those marks.

58. I think that a link would be made to the CAMBRIDGE mark for the research services identified in paragraph 51 above, but the Opponent claimed at the hearing that a link would be made for a wider range of the Applicant's goods and services. The list at Annex B is, I think, intended to include goods and services to which the s 5(3) objection extends because, it is said, such a link would be made. However, no reasons were given as to why a link would be made to anything other than the Applicant's research services. Whilst I appreciate that the Hearing Officer's findings on link were based upon his view that CAMBRIDGE would be seen merely as a geographical name, which cannot stand in respect of scientific research services in light of my findings above, I was not given any reasons why I should find a link would be made in respect of other services, or any goods. Merely claiming that the goods/services listed in Annex B are all somehow linked to quantum computing does not seem to me to be a sufficient basis for me to find that a link would be made on a wider basis. In addition, there is nothing in the Grounds of Appeal, nor was any argument advanced at the appeal, as to why the Hearing Officer's other findings in relation to s 5(3) were wrong. That being so, I reject the appeal based upon s 5(3).
59. Much the same difficulty arises in considering the appeal in so far as it is based upon s 5(4)(a). Again, Mr Stobbs invited me to consider the position on the basis that the Hearing Officer should have found goodwill attaching to CAMBRIDGE when used in relation to scientific research services, it seems that the Opponent contended that use of the Applicant's device mark in relation to all of the goods and services in Annex B would lead to a misrepresentation. Obviously, the test for the application of s 5(4)(a) is not the same as for the application of s 5(2)(b), but in this case no arguments were advanced which in my view justify reaching the conclusion that the s 5(4)(a) objection applies to a wider range of goods or services than those identified in paragraph 51 above.
60. I conclude that the appeal should succeed in relation to the following services in Class 42: "Scientific and technological services and research and design relating thereto; Industrial analysis and industrial research services; technology consultation and

research in the field of quantum computing, quantum programming, quantum engineering, quantum algorithms and cryogenics; information, advisory and consultancy services relating to the aforesaid.” Otherwise, the appeal is dismissed.

61. Both sides have had a measure of success on the appeal so that no order as to the costs of appeal would seem appropriate. The Applicant invited me, however, to take into account in assessing the costs of the appeal, the additional work which it had to do following the appeal in response to the Opponent’ Annex B list, and its late reliance on the *CX.02* case. That seems to me a reasonable request, as such costs were rendered necessary only by the late clarification of parts of the Opponent’s case. In the circumstances, I will award the Applicant £500 in respect of those additional costs. The Hearing Officer awarded the Applicant its costs of the appeal on the scale, in the sum of £4500 to be paid within 21 days after the resolution to any appeal. An adjustment to that sum should be made, in my view, in light of the reversal in part of the Hearing Officer’s findings but also taking into account the very wide-ranging case below. I will order that sum to be reduced to £1500. I will therefore order the Opponent to pay the total sum of £2000 to the Applicant by 26 January 2023 (to allow for the Christmas holiday period).

Amanda Michaels
The Appointed Person

22 December 2022

Mr Julius Stobbs of Stobbs IP appeared for the Appellant/Opponent
Mr Aaron Wood of Basck Limited appeared for the Respondent/Applicant

Annex A

Application No 3364817 specification:

Class 9: Computer Software; computer hardware; computer operating systems; data processing software; software development tools; quantum software and quantum algorithms, enhanced by artificial intelligence, machine learning, deep neural networks and quantum machine learning; AI software; financial software; AI software for financial transactions; software for Encryption, and decryption; encryption software; mobile phone software; computer software for constructing, analyzing and running quantum programs, quantum algorithms, and quantum instruction language; downloadable computer software for quantum programming and developing and testing quantum

algorithms; downloadable computer software for quantum computing; downloadable computer software for developing quantum virtual machines (QVM); computer hardware; computer hardware for quantum programming and quantum computing; microwave and radio frequency (RF) components, namely, cables, attenuators, circulators, and isolators; electrical and electronic components; electrical and electronic test apparatus and instruments; electrical and electronic apparatus for logging, storing, processing, transmitting and receiving data; computer software and/or computer hardware for the encryption, encoding, decryption and decoding of data; systems with artificial intelligence (computers); parts and fittings for the aforesaid goods.

Class 36: Financial affairs; monetary affairs; real estate affairs; insurance; cryptocurrency; digital cash; digital transfers; Incubation services, namely, providing work space containing business equipment to freelancers, start-ups, existing businesses and non-profits; incubation services, namely, providing financing to freelancers, start-ups, existing businesses and non-profits; financial services relating to the provision of loans; financial management for businesses; information, advisory and consultancy services relating to the aforesaid.

Class 42: Scientific and technological services and research and design relating thereto; Industrial analysis and industrial research services; design and development of computer hardware and software; technological services for encryption, and decryption; information processing services; encryption databases; security databases design of computer software; design of AI software; cloud-based delivery platform; Quantum Encryption services; Artificial Intelligence services; Software as a service (SaaS) services featuring open source software and programming language for constructing, analyzing and running quantum programs and quantum algorithms; cloud computing featuring software for use in quantum programming and quantum computing; application service provider featuring application programming interface (API) software for use in quantum programming and developing and testing quantum algorithms; software as a service (SaaS) services featuring open source software for developing and testing quantum algorithms; design and development of computer software; development of technologies for the fabrication of chips and circuits for quantum programming and quantum computing; technology consultation and research in the field of quantum computing, quantum programming, quantum engineering, quantum algorithms and cryogenics; computer hardware development; computer hardware design; computer design research; developing hardware in the field of cryptography; developing software using blockchain technology; software engineering; information, advisory and consultancy services relating to the aforesaid.

Annex B

The Opponent's list of goods and services which it identified as relating to quantum computing:

Class 9

QC goods and services

quantum software and quantum algorithms, enhanced by artificial intelligence, machine learning, deep neural networks and quantum machine learning; computer software for constructing, analyzing and running quantum programs, quantum algorithms, and quantum instruction language; downloadable computer software for quantum programming and developing and testing quantum algorithms; downloadable computer software for quantum computing; downloadable computer software for developing quantum virtual machines (QVM); computer hardware for quantum programming and quantum computing;

Encompassing QC goods and services

Computer Software; computer hardware; data processing software; AI software; financial software; AI software for financial transactions; software for Encryption, and decryption; encryption software;

mobile phone software; computer hardware; computer software and/or computer hardware for the encryption, encoding, decryption and decoding of data; systems with artificial intelligence (computers);

Closely related goods and services

computer operating systems; software development tools

Class 42

QC goods and services

Quantum Encryption services; Software as a service (SaaS) services featuring open source software and programming language for constructing, analyzing and running quantum programs and quantum algorithms; cloud computing featuring software for use in quantum programming and quantum computing; application service provider featuring application programming interface (API) software for use in quantum programming and developing and testing quantum algorithms; software as a service (SaaS) services featuring open source software for developing and testing quantum algorithms; technology consultation and research in the field of quantum computing, quantum programming, quantum engineering, quantum algorithms and cryogenics;

Encompassing QC goods and services

Scientific and technological services and research and design relating thereto; Industrial analysis and industrial research services; technological services for encryption, and decryption; information processing services; Artificial Intelligence services; computer design research;

Closely related goods and services

design and development of computer hardware and software; design of computer software; design of AI software; design and development of computer software; computer hardware development; development of technologies for the fabrication of chips and circuits for quantum programming and quantum computing; computer hardware design; developing hardware in the field of cryptography; developing software using blockchain technology; software engineering