O/776/19

TRADE MARKS ACT 1994

IN THE MATTER OF THE REQUEST FOR PROTECTION IN THE UK OF INTERNATIONAL REGISTRATION NO. 1243627
IN THE NAME OF ABANCA CORPORACIÓN BANCARIA, S.A. FOR THE TRADE MARK

IN CLASSES 9, 16, 35, 36, 38, 40, 41, 42 AND 45

AND

THE OPPOSITION THERETO UNDER NUMBER 405507
BY
ABANKA d.d.

Background

1. On 2 October 2014, Abanca Corporación Bancaria, S.A. ("the holder") requested protection in the UK for international trade mark registration ("IR") 1243627, shown on the cover page of this decision, claiming an international priority date in Spain from 8 May 2014. The IR covers goods and services in classes 9, 16, 35, 36, 38, 40, 41, 42 and 45.

2. The request for protection of the IR was published for opposition purposes in the *Trade Marks Journal*, on 21 August 2015. It was partially opposed in classes 9, 16, 35, 36 and 38 under section 5(2)(b) of the Trade Marks Act 1994 ("the Act") by Abanka d.d. ("the opponent"). The opponent relies on two earlier international registrations, in classes 35, 36 and 38:

(i) 860561

ABANKA

(ii) 860632

ABANKA

3. The holder filed a defence and counterstatement, denying all of the grounds. It put the opponent to proof of use of its earlier IRs and also applied to have the opponent's earlier IRs revoked on the grounds of non-use. The revocation proceedings were consolidated with the opposition and the Intellectual Property Office ("IPO") issued a decision in which the revocation applications succeeded in full[1]. As a result, there was no basis for the opposition, which consequently failed. The opponent appealed to the High Court. On appeal, Mr Daniel Alexander QC,

[1] BL O/562/17

sitting as a Deputy Judge of the Chancery Division upheld the IPO decision ("the first EWHC judgment") save in respect of one part of the class 36 specifications[2]:

> "86. It follows that I consider that the hearing officer's analysis was too narrowly focussed and that there was use of the mark ABANKA in the relevant period either by Abanka or an undertaking authorised by it in respect of the issue of Euro denominated bonds."

4. Mr Alexander QC directed the opponent to provide a draft specification reflecting the use shown. A further hearing was held before the deputy judge, resulting in his second judgment ("the second EWHC judgment")[3]. He stated:

> "**Conclusion on scope of specification**
>
> 27. In my view, the appropriate specification for the mark on the basis of the use proven is:
>
> **"Class 36: Issuing corporate bonds".**
>
> 28. The marks in issue (International Trade Mark Registrations Nos 860632 and 860561) stand revoked for all other services.
>
> **OPPOSITION**
>
> 29. The case will be remitted to the Registrar to determine the outstanding opposition on the basis of the specification set out above."

5. The case was duly remitted to the IPO. Meanwhile, the holder filed a second set of revocation applications against the two IRs and the opponent applied to add a section 5(4)(a) ground to its opposition and file evidence in support. It also requested permission to file evidence going to the similarity of services and the nature of the average consumer. The revocation proceedings were, initially,

[2] *Abanka d.d. v Abanca Corporación Bancaria, S.A.* [2017] EWHC 2428 (Ch)
[3] *Abanka d.d. v Abanca Corporación Bancaria, S.A.* [2017] EWHC 3242 (Ch)

consolidated with the opposition. I held a case management conference ("CMC") on 31 October 2018 by telephone conference at which the holder resisted the opponent's request to add the section 5(4)(a) ground and also contested the consolidation. I refused to permit the additional ground and decided the revocation proceedings would not be consolidated with the opposition, but that the two revocations would be consolidated with each other. I also permitted evidence going to the similarity of services and the average consumer, which had not at that stage been filed. I have set out below the contents of the letter sent to the parties on the same date as the CMC at which I gave my decisions on the various issues and gave directions for the next steps in the opposition.

> "1. I refer to this morning's case management conference, held by telephone conference. Mr Simon Malynicz QC represented the opponent, and Mr Andrew Norris represented the applicant. There were three issues requiring direction:
>
> > (i) The opponent's request to file further evidence relating to similarity of services, now that the specifications had been reduced to "issuing corporate bonds" following the decisions of Mr Daniel Alexander QC, sitting as a Deputy Judge in *Abanka d.d. v Abanca Corporación Bancaria S.A.* [2017] EWHC 2428 (Ch) and [2017] EWHC 3242 (Ch). The applicant objects to the request.
> >
> > (ii) The opponent's request to add section 5(4)(a) as a ground of opposition (currently the opposition is based on section 5(2)(b)) and to file evidence to support the ground. The applicant objects to the request.
> >
> > (iii) The registry's case management decision to consolidate the opposition with two new revocation actions filed by the applicant against the parts of the earlier marks which survive following the appeal ("issuing corporate bonds"). The applicant objects to the consolidation.

2. The opponent, having had all but the smallest part of its earlier marks revoked, now wishes to add a passing off claim, relying on use in the UK since December 2009 of its marks in relation to advance payment guarantees, cheques, internet banking services, credit cards, issuing of corporate bonds, foreign exchange transactions, money market transactions, fixed income securities. Some of these services were considered in my decision, and again on appeal, and were revoked from 7 May 2014, there having been no use in the relevant period; i.e. since 2009. In other words, the opponent now claims that it had goodwill in the UK as of 8 May 2014 (the relevant date of the contested IR) in relation to services which include those for which there has been found to have been no genuine use in the UK between 2009 and 2014.

3. The opponent submits that it had not needed, originally, to run a passing off ground as this would have been narrower than its section 5(2)(b) ground. The reasoning in its Form TM7G includes "It is now necessary to add the ground due to the judgment of the High Court holding that the mark had not been used for some of the services" and "The new ground could be added in a declaration of invalidity in any event and should therefore be added now to avoid a multiplicity of proceedings".

4. It can be seen from this that it was the outcome of the appeal which provided the catalyst for requesting amendment. Looked at from that perspective, the request was made as soon as possible. Avoidance of a multiplicity of proceedings can be a powerful argument for allowing an additional ground to be pleaded. However, such an argument could always be made when a party wishes to amend its pleadings. Neither of these factors mean that amendments will always be allowed.

5. Mr Alexander noted in his first judgment that it was significant that no section 5(4)(a) ground had been pleaded, alleging passing off, nor had it been suggested that it had built up sufficient goodwill in the UK to bring such a claim. Mr Alexander returned to passing off later in his decision, at paragraph 96, in connection with the law in relation to passing off and genuine use, saying (having reviewed the Supreme Court's judgment in *Starbucks v British*

Sky Broadcasting [2015] FSR 29): "That suggests that there is no fundamental problem in using these areas of law to some degree as a cross-check on each other, given that they are serving broadly similar purposes."

6. I do not say that the evidence will be the same, but I do regard the issues and the relevant dates as similar enough to view the request to add the passing off claim as another bite at the evidential cherry. Although the opponent made its request, on one view, as early as possible, requests to add grounds are clearly normally made prior to a substantive decision being issued. That is not the case here, because of the appeal. The opponent has had the holes in its evidence exposed firstly by me and then by Mr Alexander. It does not seem fair to the applicant that the opponent should now get a further chance to improve its evidence and attack the applicant from another, related, angle.

7. My decision in relation to the request to add section 5(4)(a) as a ground of opposition is that it is **refused**. The opposition remains as a 5(2)(b) only opposition based upon the earlier rights for "Issuing corporate bonds".

8. The Registry's decision to consolidate the opposition and the two new revocation actions was based upon its preliminary view to allow the addition of the section 5(4)(a) ground. The reason behind this was economy of process with regard to the filing and review of evidence which would be required both for the passing off ground and to resist the applications for non-use. There is no reason now for the two new revocations to be consolidated with the opposition, since they have no bearing upon the outcome of the opposition (if successfully revoked, they would have been extant on the register at the relevant date for the opposition). The two revocations will remain consolidated with each other, but not with the opposition.

9. In his first judgment, Mr Alexander referred to the greater of lesser degree of specialism in issuing bonds, depending on the final specification, which was then determined in his second judgment. The opponent wishes to file evidence going to similarity of services and the nature of the average

consumer. I would find it helpful to have evidence from the parties on the similarity or otherwise of the opponent's "issuing corporate bonds" with the applicant's services; in particular, the way trade in these services is conducted, who is involved and the nature or identity of the average consumer(s). That is the extent to which permission to adduce further evidence is allowed; it does not extend to the opponent's own use other than with regard to demonstrating similarity of services.

Summary of directions

10. The opponent's request to add section 5(4)(a) as a ground of opposition is refused.

11. The two revocations (502030 and 502031) remain consolidated with each other but are no longer consolidated with opposition 405507. The Registry will write separately regarding the evidence timetable for the revocations.

12. The opponent is permitted to file further evidence in accordance with paragraph 9 of this letter. Any such evidence must be filed by 31 December 2018. The applicant will have two months to file evidence in reply, or to make submissions about the opponent's further evidence."

6. The opposition came to be heard by video conference on 5 November 2019. Mr Daniel Selmi of Counsel, instructed by Innovate Legal Services Limited, represented the opponent. Mr Andrew Norris of Counsel, instructed by Potter Clarkson LLP, represented the holder.

Preliminary points

7. A few days prior to the hearing, the opponent sent a letter to the IPO[4] regarding the revocation actions, saying that its primary position was that its evidence establishes genuine use of its marks for "Issuing corporate bonds"; i.e. the

[4] Dated 29 October 2019

specification decided by Mr Alexander QC in the second EWHC judgment. The opponent, nevertheless, ventured a fall-back specification of "Issuing government bonds". That issue will be addressed in a separate decision covering the two revocation actions. As far as these opposition proceedings are concerned, in the second EWHC judgment, Mr Alexander QC stated:

> "**Conclusion on scope of specification**
>
> 27. In my view, the appropriate specification for the mark on the basis of the use proven is:
>
> **"Class 36: Issuing corporate bonds".**
>
> 28. The marks in issue (International Trade Mark Registrations Nos 860632 and 860561) stand revoked for all other services.
>
> **OPPOSITION**
>
> 29. The case will be remitted to the Registrar to determine the outstanding opposition on the basis of the specification set out above."

8. Paragraph 29 of that decision must be read in conjunction with paragraph 27. The deputy judge clearly stated that this opposition, which he remitted to the Registrar, is to be determined on the basis of the specification of "Issuing corporate bonds", for both earlier IRs. The parties made submissions about the scope of the earlier IR's specifications in the opposition proceedings, but I am bound by his findings. The opposition will be determined as directed by Mr Alexander QC in the second EWHC judgment.

9. At the hearing, Mr Selmi said that the opponent was no longer contesting the holder's goods and services in classes 9, 16, 35, 38, 40, 41, 42 and 45. Its opposition is limited to the holder's services in class 36.

10. Mr Selmi made a request to consolidate the opposition proceedings with the two revocation actions. I refused the request, since agreeing to consolidation would be to reverse my own decision not to consolidate the opposition with the revocations, which I made at the case management conference on 31 October 2018. I do not have the power to reverse my own decision: see the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person in *TWG Tea Company Pte Ltd v Mariage Frères SA*, BL O/396/15.

11. The holder did not file evidence in these opposition proceedings, although it did in the second set of revocation proceedings, by way of a witness statement dated 29 April 2019 from Mr Arturo Bermudez Cachaza, the holder's Head of Origination. This was only headed up for the revocation proceedings. The holder filed written submissions in these opposition proceedings, to which it attached two appendices. The second of these was Mr Cachaza's witness statement. This is not the correct way to file evidence; if the holder wished to adduce Mr Cachaza's witness statement in the opposition proceedings, it should have been as an exhibit to a witness statement either from him or someone else with authority to file a witness statement, headed up for these opposition proceedings.

12. Mr Cachaza's witness statement is dated six months after the case management conference at which I decided the revocations would not be consolidated with the opposition. The status of Mr Chachaza's evidence in these opposition proceedings is hearsay. I do not think it has any bearing on these opposition proceedings for the simple reason that it is evidence in reply to the opponent's/registered proprietor's evidence in the revocation proceedings[5], and that evidence is also not filed in these opposition proceedings. Nor could it be, because at the CMC I expressly directed that the opponent was only permitted to file evidence going to the way in which trade in issuing corporate bonds is conducted, who is involved and the nature of the average consumer, not to the opponent's own use other than to demonstrate similarity of services. The opponent's evidence in the revocation proceedings is, as one would expect, about the extent of the opponent's use. Therefore, this would not be permitted in the opposition proceedings, which

[5] A witness statement from Mr Jure Gedrih, Director of Treasury at Abanka d.d., dated 6 February 2019.

means that Mr Chachaza's evidence which replies to it is neither here nor there as far as the opposition proceedings are concerned. For that reason, I will say no more about it in this decision.

Evidence

13. The opponent's evidence comes from Ms Cherry Raynard, who is a journalist specialising in the financial sector. Her witness statement is dated 30 January 2019. The purpose of her evidence is to describe how the trade in financial bonds is conducted and the nature of the average consumer for bonds.

14. Ms Raynard explains that there are different types of financial bonds, falling into three main types. The first category comprises bonds where a government or company sells bonds to borrow money. She states that institutions (or, very occasionally, individuals) lend the money, receive an interest payment and get their money back at the end of the term of the bond. The second category comprises bonds issued by property and infrastructure developers who want to raise finance. Ms Raynard states that this type of bond is aimed at retail investors: the general public. The bonds are marketed directly to retail investors by websites and print media, such as newspapers. The third category comprises fixed term savings products offered by banks and other financial institutions, offered to the general public. Ms Raynard states that such bonds are often managed online by consumers, through the retail bank of which they are customers.

15. Ms Raynard explains that the way in which retail-investor facing bonds are bought and sold has changed as the general public's confidence with online trading of financial products has grown. She states that certain types of corporate bond were once considered to be specialist products that could only be traded through brokers; but that, nowadays, information about bonds is readily available to retail investors. Ms Raynard states that retail investors are "significant purchasers" of bonds through various distribution channels.

16. Ms Raynard states that government bonds (in the UK, gilts) are issued by governments to fund national debt, often with the assistance of banks who may

administer the bond issue on behalf of the government. Around 25% of the UK's government debt is owned by banks, following the global financial crisis in 2009 when quantitive easing involved banks buying their own governments' debts.

17. Ms Raynard states that "Government bonds are usually sold at auction via dedicated brokers." The primary distribution is via institutional investors who buy up government debt; for example, large pension funds, other governments and sovereign wealth funds. Pension and insurance funds are institutional buyers of gilts. They are regulated to ensure they meet their obligations to retirees; consequently, these buyers purchase government bonds because they are considered to be low risk, since governments tend not to default on their repayments. International institutional buyers, such as sovereign wealth funds and other government investment vehicles, buy UK gilts if the yield looks attractive compared to other bonds with the same level of risk.

18. Private or financial institutions such as fund or wealth managers buy government bonds for use in investment portfolios. Some of these have dedicated government bond funds or portfolios for private clients. Fund or wealth managers also buy bonds in the secondary market.

19. Ms Raynard states:

> "13. Individuals (or retail investors) do buy gilts directly, representing about 5% of the market. Retail investors can buy government bonds by going direct to the Government's Debt Management Office (DMO) when new stock is issued, or by using a stockbroker or the Bank of England's brokerage service, which allows stock to be bought and sold through any main Post Office. Individuals can also buy government bonds directly through online investment supermarkets such as Hargreaves Lansdown in the UK.
>
> 14. Alternatively, retail investors can buy government bonds by buying units in a dedicated government bond investment fund. These funds may be managed by an active fund manager, who may [sic] employed by a specialist fund management company (such as Jupiter Asset Management, or

Aberdeen Asset Management), or they might be employed in one of the big high street clearing banks, such as Santander or HSBC, which have devoted fund management divisions."

20. Ms Raynard states that corporate bonds are issued by corporations to fund investment projects, to roll over existing debt, or to fund acquisitions. Buyers of corporate bonds include central banks, institutional investors, private/financial institutions and individual investors. Central banks bought corporate bonds as part of their quantitive easing programmes, such as the Bank of England, the European Central Bank and the US Federal Reserve. The company issuing the corporate bond will usually use an investment bank to generate demand from investors, which makes presentations to investors about the company issuing the corporate bond.

21. Ms Raynard states that corporate bonds payer a higher income than gilts. They are usually bought by large institutional insurance and pension funds. Purchase sizes are typically £2 million to £5 million. Fund or wealth managers also buy corporate bonds for investment portfolios. There are a number of dedicated corporate bond funds. Ms Raynard states that retail investors will often buy into a fund consisting of a number of corporate bonds from a fund management company or a bank with a fund management division.

22. Ms Raynard states that, as well as institutional corporate bonds, there are also retail corporate bonds aimed specifically at individual investors. The reputation of the company's brand may play a role in the retail investor's purchasing decision, or the decision may be based on the available income produced by the bond. Ms Raynard states that retail corporate bonds are generally bought through online investment supermarkets such as Hargreaves Lansdown. The secondary market for such bonds is managed by the London Stock Exchange, and the entry point is low: from £100. The issuing company's brand is usually present on its website where the bonds are offered, allowing retail investors to find information about the bond offering, such as information sheets and prospectuses. Examples are shown in Exhibit CR1.

23. Ms Raynard states that investors can buy government and corporate bonds and hold them until their term expires, or they can be redeemed early in the secondary market. Unlike an exchange-traded product, such as a share, there is no guarantee that there will be a buyer at the end. There is a limited secondary market that can be accessed by retail investors of retail corporate bonds, but they are generally unable to access the secondary market for other bonds.

24. Consumer-facing bonds have become popular as a half-way house between stock market investment and savings accounts. They are issued by select corporate groups who want to raise finance; for example, property developers or renewable energy projects. A financial company lends the money, then sells the bonds to its investors at a lower rate, and the financial company keeps the margin as profit.

25. Ms Raynard states that cash-based bonds are not really considered to be bonds in the traditional sense; these are fixed term savings accounts issued by e.g. banks and building societies to retail investors. Investors get a marginally higher interest rate for not accessing the money for a fixed term, but it is a cash-based product rather than being a loan.

Section 5(2)(b) of the Act

26. Section 5(2)(b) of the Act states:

> "(2) A trade mark shall not be registered if because –
>
> (a) …
>
> (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

27. The following principles are gleaned from the decisions of the Court of Justice in 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 OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

28. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the Court of Justice of the European Union ("CJEU") stated at paragraph 23 of its judgment:

"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."

29. In *Kurt Hesse v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v* OHIM, Case T-325/06, the General Court ("GC") stated that "complementary" means:

> "82 … there is a close connection between [the goods], 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…".

30. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited ("Treat")* [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

31. In *Avnet Incorporated v Isoact Limited,* [1998] F.S.R. 16, Jacob J. stated:

> "In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase."

32. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

> "… Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert

sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

33. The opponent opposes the services shown below, on the basis of its specifications in both earlier IRs of *issuing corporate bonds*:

> Insurance services; financial business services; monetary business services; hire-purchase financing; debt collection; banking services, financial information; credit and debit card services; financial database services; processing of electronic payments carried out by means of prepaid cards; financial evaluations; financial consulting and analysis services; financial risk management.

34. The law requires that goods/services be considered identical where one party's description of its goods/services encompasses the specific goods/services covered by the other party's description (and vice versa): see *Gérard Meric v OHIM,* Case T-33/05, GC.

35. The holder's specification includes the terms *financial business services; monetary business services*. These are wide terms which cover 'issuing corporate bonds'. They are identical services on the *Meric* principle.

36. In the first EWHC judgment, Mr Alexander QC said:

> "114. Use has been proved in relation to Euro denominated bonds of a minimum value of Euros 50,000 issued through the London Stock Exchange. A question arises as to whether that category or some broader (or possibly narrower) category would be appropriate. The reason that this may matter particularly in this case is that the more specific the category, the more likely it is that trade in services falling into it would be conducted by specialist bond

dealers, rather than on a retail market, making the notional average consumer for these services rather specific.

…

117. It does not follow from the fact that the registration has been permitted to continue for one kind of specialist financial services, that the respective marks would be confusingly similar for those services (or indeed any services), bearing in mind also the partially descriptive nature of them, the differences between the marks and the nature of average consumers for the services in question, who, particularly with respect to Eurobonds, may be expected to be highly discriminating in differentiating between bonds with somewhat similar names of this value in a complex market. These are issues which would need to be explored in some detail, possibly on remission to the Registrar, if that is sought."

37. In the second EWHC judgment, Mr Alexander QC said:

"14. However, one important feature of these bonds is that they were issued to finance a private or listed company rather than being (for example) government bonds. These were corporate bonds. In my view, that is the appropriate sub-category, which is capable of being viewed independently. Although there is no evidence specifically addressed to this issue and Abanka rightly says that it is impermissible to take account of matters set out in Abanca's skeleton argument concerning the precise manner in which various securities are traded and the qualifications of those who may do so, it is a matter of common knowledge that there are bonds of different kinds, of which some are more commonly sold to ordinary consumers and others are more generally used as corporate financing instruments mainly directed at more specialised investors, of which corporate bonds form a well-recognised category. In this case, there is evidence of small sales of these bonds to institutions in this country and no evidence of retail sales. The Information Memorandum does not suggest that these were "retail" bonds in any sense.

15. There is no detailed evidence of the characteristics of the average consumer either. However, in making the evaluation, I have looked at the matter from the perspective of a person or undertaking with the characteristics indicated by the Information Memorandum, namely a prospective investor. The characteristics of such an investor indicated under the head "Risk Factors" in that document are sensible ones to apply. Such a person is assumed to be either a financial services professional or similar or expected to have consulted such professional advisors before making investment decisions. In my judgment, such a person would be likely to treat "issuing corporate bonds" as a sensible description of the kind of services provided by Abanka in this case and to treat this as the appropriate level of generality."

38. Ms Raynard states that corporate bonds are issued by corporations to fund investment projects, to roll over debt or to fund acquisitions. They, therefore serve a different purpose to the holder's *insurance services*. Insurance is an arrangement in which money is paid to an insurer by the insured party against the risk that if a specified event occurs (e.g. theft of property or an accident), the insurer will pay compensation to the insured party. Bonds and insurance services appear to be opposites: bonds are inherently risky for the purchaser, as investments, whereas insurance is to minimise risk for the purchaser. Ms Raynard states that there is such a thing as a retail corporate bond which are generally bought through online investment supermarkets. There is no evidence that such undertakings supply insurance. The services are not in competition and are not complementary. There is no similarity between "issuing corporate bonds" and the holder's *insurance services*.

39. *Hire-purchase financing* is the lending of money to enable the purchase of something which is then paid back in installments; e.g. the hire-purchase of a car, which could be financed by the dealer selling the car. This is a form of credit. Although each involves lending of sort, in the case of the bonds, it is the issuer of the bond who is 'borrowing', whilst hire-purchase financing means that it is the purchaser of an item who is borrowing. They are services for different purposes, they are not in competition, are not complementary and would not be obtained through shared trade channels. There are no similarities with the issuing of corporate bonds.

40. The holder has cover for *banking services*. Ms Raynard states that individual investors buy corporate bonds (as well as institutional investors). She states that these are generally bought through investment supermarkets. She also states that retail investors often buy into funds consisting of a number of corporate bonds from either a fund management company or a bank with a fund management division. Ms Raynard refers to bonds being used as shorthand by retail banks and building societies for fixed-term savings products. I am doubtful that the natural meaning of 'banking services' to the average consumer would extend to the issuing of corporate bonds. It would signify, for example, depositing and withdrawing money, savings, loans and mortgages; however, within that there are the 'savings' type of bond described by Ms Raynard. There is, therefore, a small element of competition because retail investors have a choice as to which type of bond to purchase. There is a low degree of similarity between these services.

41. *Credit and debit card services; processing of electronic payments carried out by means of prepaid cards* are retail banking services, specifically relating to credit and card payments. As above, it is possible that corporate bonds may be purchased through a bank's fund management division. This means the potential for shared trade channels. However, the purpose, nature and method of use of the services, plus the fact that they are not in competition or complementary, results in a minimal degree of similarity.

42. The opponent claims that *debt collection* is very highly similar to issuing corporate bonds because corporations issue bonds to fund investments or to roll over existing debt. The opponent submits that, on this basis, the services have the same nature, complementary purpose and methods of use: debt rollover versus debts collection. I disagree. Whilst the corporation might issue its bonds to fund its debt rollover, similarity of purpose is only relevant in so far as it affects the consumer of the service. The consumer does not buy a bond to rollover debt. Debt collection is a very specific service, usually involving legal action, or the threat of it. These services are not similar.

43. *Financial database services*: these services are for the gathering, storage and retrieval of financial data. For example, individuals' credit scores are held on a

database which can be searched by potential lenders. These services do not share any similarity with issuing corporate bonds.

44. *Financial information; financial evaluations; financial consulting and analysis services; financial risk management.* These services can be grouped together as the same reasoning applies[6]. They are likely to be provided by the same undertakings which issue corporate bonds. Such bonds carry inherent risk and would require analysis and advice to prospective investors. The purpose and nature of the services are different, but they are likely to emanate from a shared undertaking. They are not in competition but would be complementary in the sense described in the authorities cited above, since an investor would purchase corporate bonds through a broker after seeking the broker's financial information and advice about the risks and likely returns on the investment. They are similar to a moderate degree.

The average consumer and the purchasing process

45. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

46. The categories of services in question are those for which some level of similarity has been found. Some of the services entail investing money long-term, so the purchaser will be highly attentive to the selection process, whether as an individual or institution. Institutions such as central banks are likely to invest very substantial amounts of money. These are professional financial customers, as opposed to individuals who are unlikely to buy corporate bonds in the same quantity as institutional investors. However, for both types of average consumer, a considerable amount of research and thought will be given to the prospective purchase. This is primarily likely to take place on a visual basis, but there will also be an aural aspect to the purchase, such as attendance at presentations given by

[6] *Albingia Sa v Axis Bank Limited*, BL O/253/18, Professor Johnson, sitting as the Appointed Person at [42].

investment banks on behalf of the company issuing corporate bonds, and advice given by financial advisors to prospective investors.

Comparison of marks

47. 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 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."

48. 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.

49. The marks to be compared are:

Opponent's marks	Holder's mark
ABANKA ABANKA	//ABANCA

50. The opponent's marks consist of the single word ABANKA. The overall impression resides in the word alone. The holder's mark comprises two elements: the word ABANCA and two forward slashes preceding the word element. Although the two forward slashes are at the beginning of the mark, it is the word ABANCA which carries the greatest weight in the overall impression owing to its length and size, relative to the slash device.

51. The only difference between the word elements of the parties' marks are the K/C, in the same position in both words. The slash device adds little as a point of visual difference. The holder's mark claims the colours "blue and white". The opponent's IR 860632, the second one in the table above, claims the colour "green (Pantone 327)". The opponent's first mark is not limited to colour, so is notionally registered for all colours, including the blue and white claimed in the holder's mark[7]. Therefore, this is not a point of visual difference in relation to the black and white earlier mark. It creates some visual difference in respect of the parties' coloured marks, although relatively minor considering the other more marked similarities. The parties' marks are similar to a relatively high degree.

52. The visual differences described above disappear when the marks are compared aurally. The K and C will be pronounced identically in the UK, which results in the marks being aurally identical.

53. Neither ABANKA not ABANCA are English words. The device is meaningless, as far as I know. ABANCA will be seen as an invented word. The word BANK is sandwiched between two As in the opponent's marks which, for those who perceive this, may be evocative of the well-known English word bank, in the context of finance. For these people, the marks will be conceptually dissimilar. If the bank concept is not perceived, the marks will be conceptually neutral.

[7] *Specsavers International Healthcare and Others v Asda Stores Limited*, Case C-252/12.

Distinctive character of the earlier marks

54. In *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV*[8] the CJEU stated that:

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

55. The opponent has expressly stated that it does not rely upon enhanced distinctive character. That being the case, I have only the inherent position to consider. In the first EWHC judgment, Mr Alexander QC observed, in the context of a likelihood of confusion, that the parties' marks are partially descriptive of the services. In terms of the opponent's marks, ABANKA is not an English word. However, the middle part of the mark comprises the English word BANK, which is descriptive for financial services. ABANKA is not directly descriptive of issuing

[8] Case C-342/97.

corporate bonds; in my view it is evocative of BANK in the sense referred to by the GC in *Usinor SA v OHIM*, Case T-189/05:

> "62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann* v *OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51, and Case T-256/04 *Mundipharma* v *OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57)."

56. I conclude that the opponent's marks possess a medium degree of inherent distinctive character in relation to issuing corporate bonds.

Likelihood of confusion

57. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. There must be some similarity between goods and services for a likelihood of confusion to be possible (*Canon*, paragraph 22). Therefore, there is no likelihood of confusion and the opposition fails in respect of the services which I have found to be dissimilar:

> *Insurance services; hire-purchase financing; debt collection; financial database services*.

58. I bear in mind the interdependency principle and the effects that can have on imperfect recollection, but alongside that I must factor in that the level of attention during purchase will be high. This is so whether or not the average consumer is an

institution, central bank, financial professional or an individual. A higher level of attention can reduce the potential for imperfect recollection and hence a likelihood of confusion. Therefore, I find that it is unlikely that the average consumer (institution or individual) will mistake the parties' marks in respect of services which are low in similarity. The opposition also fails in respect of *banking services; credit and debit card services; processing of electronic payments carried out by means of prepaid cards*.

59. The holder's *financial business services; monetary business services* are identical to the opponent's 'issuing corporate bonds'. Despite the high level of attention which will be paid in the purchase of these services, I find that there is a likelihood of confusion. The marks are highly visually similar and phonetically identical. Although the earlier marks may be visually evocative of 'BANK', thereby creating a conceptual hook, it is unlikely such an idea would be formed by the holder's mark unless it was encountered aurally. I do not think that the evoking of bank by the opponent's marks, if it takes place visually, will be strong enough to avoid imperfect recollection, also bearing in mind that the earlier marks have a medium degree of distinctive character and neither parties' marks are dictionary words. There is also a likelihood of confusion in relation to the holder's *financial information; financial evaluations; financial consulting and analysis services; financial risk management.* These are complementary services and it would not be surprising to find that the same undertaking issues corporate bonds and supplies financial information and consultation services to prospective investors. If I am wrong that professional average consumers would be confused, I, nevertheless, consider that individual investors would be confused. This is sufficient to find that the opposition succeeds in relation to *financial business services; monetary business services; financial information; financial evaluations; financial consulting and analysis services; financial risk management*[9].

[9] *Albingia Sa v Axis Bank Limited*.

Outcome

60. The opposition fails in respect of *Insurance services; hire-purchase financing; debt collection; financial database services; banking services; credit and debit card services; processing of electronic payments carried out by means of prepaid cards*. The holder's IR may be protected in the UK for these services.

61. The opposition succeeds in respect of *financial business services; monetary business services; financial information; financial evaluations; financial consulting and analysis services; financial risk management*. The IR is refused protection in the UK for these services.

62. I have considered whether I should give the holder the opportunity to refine its specification to services which are not similar, or low in similarity, to the opponent's services of 'issuing corporate bonds.' This is in line with Tribunal Practice Notice 1/2012 (my underlining):

> "**3.2.2 Defended Proceedings**
> In a case where amendment to the specification(s) of goods and/or services is required as the result of the outcome of contested proceedings the Hearing Officer will, where appropriate, adopt one or a combination of the following approaches:
>
> a) Where the proceedings should only succeed in part, or where the proceedings are directed against only some of the goods/services covered by the trade mark and the result can be easily reflected through the simple deletion of the offending descriptions of goods/services, the Hearing Officer will take a "blue pencil" approach to remove the offending descriptions of goods/services. This will not require the filing of a Form TM21 on the part of the owner. If, however, any rewording of the specification is proposed by the owner in order to overcome the objection, then the decision of the Hearing Officer will take that rewording into account subject to it being sanctioned by the Registrar as acceptable from a classification perspective;

b) Where the result cannot be easily reflected through simple deletion, but the Hearing Officer can clearly reflect the result by adding a "save for" type exclusion to the existing descriptions of goods/services, he or she will do so. This will not require the filing of a Form TM21 on the part of the owner. If, however, any rewording of the specification is proposed by the owner in order to overcome the objection, then the decision of the Hearing Officer will take that rewording into account subject to it being sanctioned by the Registrar as acceptable from a classification perspective;

c) If the Hearing Officer considers that the proceedings are successful against only some of the goods/services, but the result of the proceedings cannot be clearly reflected in the application through the simple deletion of particular descriptions of goods/services, or by adding a "save for" type exclusion, then the Hearing Officer may indicate the extent to which the proceedings succeed in his/her own words. The parties will then be invited to provide submissions/proposals as to the appropriate wording for a list of goods/services that reflects his/her findings and after considering the parties' submissions, the Hearing Officer will determine a revised list of goods/services. Subject to appeal, the trade mark will be, or remain, registered for this list of goods/services.

d) This third approach will be taken when a Hearing Officer considers that there is real practical scope to give effect to Article 13, having due regard to the factors in each individual case. For example, the original specification of the international trade mark registration which was the subject of Giorgio Armani SpA v Sunrich Clothing Ltd (cited above) was clothing, shoes, headgear. The successful opposition only opposed the registration to the extent that it covered "men's and boys' clothing", thereby leaving other goods covered by the specification as unobjectionable. Such an outcome could not be reflected in changes to the specification via either the 'blue pencilling' approach or the 'save for' type of exclusion. The specification was reworded and the international registration was eventually protected for a specification reading Clothing for women and girls, shoes and headgear. Generally speaking, the narrower the scope of the objection is to the broad term(s),

compared to the range of goods/services covered by it, the more necessary it will be for the Hearing Officer to propose a revised specification of goods/services. Conversely, where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal."

63. I mentioned at the beginning of this decision that the holder filed evidence in relation to the parallel revocation proceedings. That evidence is from Arturo Bermudez Cachaza, the holder's Head of Origination. Mr Cachaza states that he works within the Treasury and Capital markets department, involved in bond issuances, both corporate and sovereign. It would seem, therefore, to be disproportionate to embark on specification amendment proposals which are unlikely to cover the services provided by the holder's business.

Costs

64. At the conclusion of the hearing, Mr Norris requested costs off the scale. The reasons given for this request included that until the hearing, the opponent was still objecting to all goods and services in classes 9, 16, 35, 36 and 38. Other reasons related to the revocation cases, which I also heard alongside the opposition case. It would not be appropriate to factor those in to my assessment in relation to this opposition, but I address them in my decision on the revocation cases.

65. I note that Mr Selmi's skeleton argument said that he would focus on the comparison between the opponent's services and the holder's class 36 services. It did not say that the opposition was withdrawn in relation to the holder's goods and services in classes 9, 16, 35 and 38. Mr Norris' skeleton was brief in relation to the comparison of goods and services. It was not until the hearing when Mr Selmi said

that the opponent no longer objected to the holder's goods and services in classes other than class 36:

> "Before going further, I should say, having taken instructions, the opponent is no longer contesting the other goods and services in the applicant's mark. So we are only contesting the class 36 services as being identical or similar."

66. Skeleton arguments are exchanged simultaneously, not sequentially. There was no reason why, up until the point of exchange, the holder would have foreseen that the opposition was limited to class 36. Even in the skeleton argument, Mr Selmi said he would focus on the class 36 services; he did not say the opposition was now limited to them. It was at the hearing itself that the opposition was withdrawn in all opposed classes except for class 36. Mr Norris did not deal with the comparison of goods and services in his skeleton argument and so, in Mr Selmi's opinion, "no time and effort was expended dealing with that point."

67. It is true that Mr Norris' skeleton did not address the comparison of goods and services, nor did he make submissions on the point. I do not think, therefore, that the off-scale request is valid. However, that is not to say that no work was done in relation to the comparison of goods and services, that no discussions were had with Mr Norris' instructing attorneys, or that he was not prepared to deal with the point if Mr Selmi made submissions. Without the request for off-scale costs, as both sides have achieved a roughly equal measure of success I would have ordered each party to bear its own costs. However, there is force in Mr Norris' point that behind-the-scenes work was done in relation to the similarity of goods and services. For that reason, I award £400 as a contribution to the holder.

68. I order Abanka d.d. to pay to Abanca Corporación Bancaria, S.A. the sum of **£400**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of December 2019

Judi Pike
For the Registrar,
the Comptroller-General