

O/0465/23

TRADE MARKS ACT 1994

**IN THE MATTER OF
TRADE MARK APPLICATION NO. UK3609251
IN THE NAME OF
FONEZONE TELECOMMUNICATIONS LTD TRADING AS WORKPAL
TO REGISTER AS A TRADE MARK**



IN CLASS 9

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 428016
BY THIRSTY HORSES SOLUTIONS LTD**

BACKGROUND AND PLEADINGS

1. On 12 March 2021, Fonezone Telecommunications Ltd trading as Workpal (“the applicant”) applied to register trade mark number UK3609251 for the mark shown on the cover page of this decision in the United Kingdom. This case was filed pursuant to Article 59 of the Withdrawal Agreement between the United Kingdom and the European Union, based on its European Union Trade Mark (“EUTM”) No 18309450. The EU filing date was 16/09/2020.

2. The application was accepted and published for opposition purposes on 06 August 2021, in respect of the following goods:

Class 9: *Apparatus and instruments for recording, transmitting, reproducing or processing sound, images or data; recorded and downloadable media, computer software.*

3. The application is opposed by Thirsty Horses Solutions Ltd (“the opponent”). The opposition was filed on 04 November 2021 and is based upon Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition is directed against some of the goods only in the application, namely “*computer software*”. The opponent relies upon the following mark:

WorkPal

UK trade mark registration number 3521006

Filing date: 07 August 2020

Registration date: 04 December 2020

Registered in Classes 9 and 35

Relying on all goods in Class 9 only, namely “*Computer Software for appraisals and performance and talent management within the workplace*”.¹

4. The opponent submits that the applicant’s management software is very similar to its own software.

¹ See paragraph 8 of this decision regarding the opponent’s scope of protection.

5. The applicant filed a counterstatement denying the claims. It submits that the respective marks are visually, aurally and conceptually dissimilar, and it further denies that the goods at issue are similar.

6. Both parties filed written submissions which will be referred to as and where appropriate during this decision. Only the opponent elected to file evidence. Neither party requested a hearing, therefore this decision is taken following careful consideration of the papers.

7. In these proceedings, the opponent is represented by Vincents Solicitors and the applicant is represented by FRKelly.

Preliminary Issue and Preliminary Indication

8. I note that on its Form TM7, under Q1 of Section A of the form, in response to the question “Which goods or services covered by the earlier trade mark are relied upon for the opposition?”, the opponent has ticked “Some goods and services”, which it has then specified as “*Computer Software*”. I note that the opponent has protection in Class 9 for “*Computer software for appraisals and performance and talent management within the workplace*” only. Therefore, by stating that they are relying on the term “*Computer software*” alone, the opponent is actually widening the scope of protection for which registration of the mark has been granted, rather than limiting it, which is not permissible. Accordingly, I will make my comparison based on the full Class 9 specification “*Computer software for appraisals and performance and talent management within the workplace*”.

9. I note that, in accordance with rule 19(2) of the Trade Mark Rules 2008, a Preliminary Indication (PI) was issued to both parties on 8 February 2022, where it was considered that, having taken into account the similarity of the respective trade marks and the identity or similarity of the competing goods, the Hearing Officer found there to be a likelihood of direct confusion on the grounds of imperfect recollection.

10. PIs are issued to give the respective parties an indication on a prima facie basis as to the likely decision in respect of the grounds of opposition, giving either party the opportunity to withdraw either the opposition or the application accordingly, without incurring costs. The PI is not binding, nor does it replace a full decision by a different Hearing Officer.

11. As the PI was that the application should be refused for all of the opposed goods, if the applicant does not accept the PI, it has the right to give formal notice to that effect. In order to proceed, the applicant must file form TM53, otherwise the application is accordingly deemed to be withdrawn. In this instance, the applicant was invited to file Form TM53, with a deadline given for doing so of 08 March 2022.

12. On 07 March 2022, the applicant filed form TM53 to request that the opposition proceed to evidence rounds.

13. As I am not bound by the PI, following careful consideration of the facts before me, I will make my own assessment of the likelihood of confusion between the competing marks and the goods relied upon by the opponent against the opposed goods of the application.

Opponent's Evidence

14. The opponent filed evidence by way of two witness statements. Both witness statements are in the name of Raymond Pendleton, being the Director and shareholder of the opponent company, Thirsty Horses Solutions Ltd. Attached to the first witness statement, dated 17 June 2022, are four exhibits, labelled RP1 – RP4, which provide background information on the nature of the company's activities under the trade mark, as well as what Mr Pendleton purports as being "clear evidence of there being confusion already existing in the marketplace, which is undermining our business and our registered trade mark".

15. The second witness statement, dated 8 November 2022, and to which are attached three further exhibits, labelled RP5 – RP7, was submitted following the request to file additional evidence which was said to have been unavailable at the time of the first

witness statement, the request being duly granted by the Tribunal. The main purpose of the second witness statement is to provide further examples of what Mr Pendleton regards as actual confusion between the competing trade marks at issue.

16. I have read and considered all of the evidence and I will refer to the relevant parts at the appropriate points in the decision, which I will summarise to the extent I consider necessary.

DECISION

17. Although the UK has left the European Union, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. Therefore, this decision contains references to the trade mark case-law of the European courts.

Section 5(2)(b)

18. Section 5(2)(b) reads as follows:

“5(2) A trade mark shall not be registered if because -

...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

19. Section 5A states:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

20. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.- (1) In this Act an “earlier trade mark” means –

(a) a registered trade mark or international trade mark (UK) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

...”

21. The trade mark upon which the opponent relies qualifies as an earlier trade mark under the above provisions. As the trade mark had not been registered for more than five years before the EU filing date of the application, it is not subject to the use provisions contained in section 6A of the Act. The opponent is, therefore, entitled to rely upon it in relation to all of the goods indicated without having to prove that genuine use has been made of them.

22. I am guided by the following principles which are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (“OHIM”)*, Case C-3/03, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods

23. Section 60A of the Act provides:

“(1) For the purposes of this Act goods and services —

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification;

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the “Nice Classification” means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1979.”

24. The goods to be compared are all in Class 9, the opponent’s goods being “*Computer software for appraisals and performance and talent management within the workplace*”, and the applicant’s goods being “*Computer Software*”.

25. In *Gérard Meric v OHIM*, Case T-133/05, the General Court (“GC”) stated that:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM - Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.²

26. The opponent’s “*Computer software for appraisals and performance and talent management within the workplace*” is encompassed by the applicant’s broad term “*Computer software*” and as such, the competing goods are identical as per the principle outlined in *Meric*.

The average consumer and the nature of the purchasing act

27. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. (as he was then) described the average consumer in these terms:

“The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median”.³

28. 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.

² Paragraph 29

³ Paragraph 60

29. In its written submissions, the applicant submits that the goods at issue are specialised and sophisticated and that the average consumer of the competing goods "... will, generally, be businesses and adults who are likely to pay an above average degree of attention to the goods being sought ...".⁴

30. The goods in common are *Computer software*, and while the purpose of the software or the target market of the applicant's goods are unspecified, and could therefore include the general public, the overlapping term of the opponent's specification is computer software which is specifically in relation to appraisals and performance and talent management within the workplace, which is encompassed by the applicant's broader term.

31. As such, the average consumer for the competing goods will be businesses in need of such software. Given the specific nature of the goods, they are likely to be purchased relatively infrequently. I would expect them to be sold through specialist retailers, be that from bricks and mortar premises, through tele-sales, or via the internet. Considerations such as technical reviews of the software, price, quality, ease of use, suitability of the product and the reputation of the provider would be taken into account before purchasing the goods. The selection process would be a combination of visual and aural: some consumers would seek information from written reviews and recommendations, particularly on the internet, whereas others would receive verbal advice from sales representatives, particularly in the case of tele-sales. As the average consumer will want to ensure that the software procured is appropriate to specific business needs, they will pay a higher than average degree of attention during the purchasing act, but not to the highest degree.

Comparison of marks

32. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions


⁴ See paragraph 11 of the applicant's written submissions dated 31 October 2022.

created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated in *Bimbo SA v OHIM* Case C-591/12P, 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.”⁵

33. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

34. The respective trade marks are shown below:

Opponent's trade mark	Applicant's trade mark
WorkPal	

35. In its written submissions, the opponent submits that the representation of the applicant's mark “WorkPal” is very similar to the earlier registered word mark “WorkPal”.

36. The applicant submits in its written submissions that visually, there are clear differences between the competing marks as a result of the device element in the contested trade mark, and that orally, the sound and pronunciation of the respective

⁵ Paragraph 34.

marks will be entirely different such that there would be no likelihood of confusion. It submits that this is due to the fact that consumers put words or descriptions to devices in trade marks and would use that word as part of and at the beginning of the trade mark of the applicant.⁶

Overall impression

37. The opponent's mark consists of the conjoined words "WorkPal", presented as a single word in a standard black typeface. The use of capital letters at the start of "Work" and "Pal" immediately leads the consumer to read the mark as two individual words, even though there are no spaces between those words. The overall impression conveyed by the mark therefore rests in the combination of the two (conjoined) words.

38. The contested mark comprises a device element at the start of the mark, which given the subsequent conjoined words "WorkPal", is most likely to be perceived as representing the letters WP, although I acknowledge that to some consumers, it may be seen as an arbitrary device element rather than actual letters. The device element is presented in the colour orange and precedes the word Work, which is presented in a standard black typeface in title case, and the word Pal, which is presented in a standard bold black typeface in title case, with the two word combination being presented as a single (conjoined) word. In spite of there being no space between the two words, the use of a capital letter at the start of each word and the use of a bold script for the word Pal results in the mark being perceived as two separate words. While each of the elements are situated in a single line, to my mind, it is the conjoined words "WorkPal" to which the eye is drawn, and which make the greatest contribution to the overall impression of the mark, and although the preceding two letter/device element would not go unnoticed, it makes a lesser contribution overall.

Visual comparison

39. The opponent's mark and the contested mark share visual similarity by way of the conjoined words "WorkPal", which make up the entirety of the earlier mark and is

⁶ See paragraphs 7 – 8 of the applicant's written submissions dated 31 October 2022.

wholly incorporated in the applicant's mark, although I note the word "Pal within the contested Mark is presented in bold. Further, the words "WorkPal" in the contested mark are preceded by the additional figurative device as previously described, an element which will not be overlooked by the average consumer, and which creates a visual disparity between the competing marks. Considering the marks as a whole, I find there to be at least a medium degree of visual similarity between them.

Aural comparison

40. I note the applicant's submissions regarding the impact of the device element on the aural differences between the marks. However, in *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, The Court of First Instance (Third Chamber) found that:

"37 Finally, with regard to the figurative element, the Board of Appeal observed, in the contested decision, that, where a trade mark is composed of verbal and figurative elements, the former should, in principle, be considered more distinctive than the latter, because **the average consumer will more easily refer to the goods in question by quoting their name than by describing the figurative element of the trade mark**. It correctly takes the view that that general line of reasoning could reasonably be applied in the present case. According to the Board of Appeal, it is reasonable to assume that **the average consumer will perceive the verbal element as the trade mark and the figurative element as a decorative element**. Moreover, the figurative element is placed below the verbal elements, i.e. in a less visible position.

38 It follows that the applicant's arguments that the Board of Appeal failed to take into consideration elements other than the word 'selenium' must be rejected."⁷ **(My emphasis)**

41. The common element in the competing marks are the conjoined words "WorkPal", which would be pronounced identically in each of the marks as two syllables, WERK-

⁷ See *Wassen International Ltd v OHIM (SELENIUM-ACE)*, Case T-312/03, at [37].

PAL (wɜːrk pæɪ). I consider that even where the device element at the start of the contested mark is perceived as the letters WP, the likelihood of this element being articulated is negligible. Accordingly, I consider the marks to be aurally identical.

Conceptual comparison

42. With regard to conceptual comparison, in *Luciano Sandrone v European Union Intellectual Property Office (EUIPO)*, Case T-268/18, the GC held:

“... In that regard, it must be borne in mind that the purpose of the conceptual comparison is to compare the ‘concepts’ that the signs at issue convey. The term ‘concept’ means, according to the definition given, for example, by the Larousse dictionary, a ‘general and abstract idea used to denote a specific or abstract thought which enables a person to associate with that thought the various perceptions which that person has of it and to organise knowledge about it.’”⁸

43. The competing marks both comprise the conjoined words “WorkPal”, which to my mind would be perceived as two separate, every day, dictionary defined words, “Work” and “Pal”. I do not consider that the word “Pal”, meaning friend, would be taken literally, rather, the combined meaning of the words “WorkPal” would be seen by a significant proportion of the average consumer as referring to a work aid, acting as a metaphorical friend. Therefore, in direct reference to the goods at issue, the mark is likely to be seen as computer software which will aid the consumer in the workplace.

44. As referred to earlier in this decision, I consider that the figurative element of the applicant’s mark will either be seen as the letters “WP”, being the first letters of the conjoined words “WorkPal” which follow the device, or as an arbitrary inclusion. Either way, they do nothing to alter the overall concept of the applicant’s mark. In whatever way the conjoined words in common “WorkPal” are construed, it would be the same for both the opponent’s mark and the applicant’s mark, and as such, I consider them to be conceptually identical.

⁸ Paragraph 8.

Distinctive character of the earlier mark

45. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

46. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

47. Registered trade marks possess varying degrees of inherent distinctive character, being lower where they are allusive or suggestive of a characteristic of the goods or services, ranging up to those with high inherent distinctive character, such as invented

words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it. The opponent has not claimed that its mark has enhanced distinctiveness, however, some evidence demonstrating use of the mark has been filed. The territory relevant to the assessment of enhanced distinctiveness is the United Kingdom. As the case for enhanced distinctiveness does not need to be expressly pleaded, I will assess the evidence provided in my considerations on whether, at the date of filing the contested application, the earlier mark enjoyed an enhanced degree of distinctiveness by virtue of the use made of it in relation to the UK market.

48. I will first consider the inherent distinctiveness of the earlier mark. The mark is made up of two ordinary, dictionary defined words, albeit conjoined, which, as mentioned earlier in paragraph 43 of this decision, when considered in combination, and in direct reference to the goods, allude to computer software which will help the consumer in the workplace. Overall, I consider the mark to be at the lower end of the range of inherent distinctive character, although not of the very lowest degree.

49. Turning to the assessment of enhanced distinctiveness of the earlier mark, I note that in the first witness statement of Mr Pendleton, he states that the mark has been in use since 2015, although the application to register it as a Trade Mark in the UK was not made until August 2020. Mr Pendleton states that Exhibit RP1 is a report prepared by Manchester Metropolitan University in 2015. Page 10 of the report explains how the brand “WorkPAL” came about:

We've changed the name, too. Users at all levels told us Inspire was a pretty meaningless and sometimes patronising name for a platform of this type. After asking what it might be called, no-one knew; they only knew it needed to be something descriptive, meaningful and understood. So **WorkPAL** was born. Early user feedback tells we've hit the mark. The name tells you what it is and the PAL tells people what it's for [Performance, Appraisal, Learning]. Whatever you need to fulfil your job or develop in your role, simply visit your WorkPAL which is there to help.



50. While I note that the “PAL” element of the mark is presented within the aforementioned report in both plain word and in the stylised form in entirely in capital letters, rather than title case, I do not consider that the presentation alters the distinctive character of the mark in the form in which it is registered. I further note that although the report provides technical facts about the goods on which the mark appears, it describes “WorkPAL” as an “electronic tool”, rather than computer software per se. I acknowledge the definition of an electronic tool as being “any software, system, electronic functionality or service, including interactive devices, internet capability, functionality, site or service hardware, device or communications facility”⁹. The report explains how seven NHS Trusts took part in a pilot trialling “WorkPal” (formerly called “Inspire”) for its functionality as a Learning Needs Analysis (“LNA”) tool. Much of the evidence provided by way of the exhibits also refers to the services provided by the opponent under the “WorkPAL” mark:

2) Are organisations ready for a solution like WorkPAL...?

Sometimes, no...! Not the full WorkPAL solution at least.

A client’s performance metrics (what they want to achieve), content (their corporate priorities, values and behaviours, etc) and even their workforce structures have to be in place if WorkPAL is to reflect the organisation and start reaping immediate benefits. This is what we call Organisational Readiness. And sometimes organisations are simply not ready – and that really is ok.

For those organisations who need a helping hand we have adapted our offering so our IT and consultancy services match your needs, and your circumstances.

Although the mark is also registered in Class 35 for consultancy services, the opponent is only relying on the Class 9 goods in these proceedings.

51. In paragraph 5, Mr Pendleton states that the company’s current turnover is over £410,000, however, I interpret “current” as being at the time the witness statement was signed, being 17 June 2022, which post-dates the filing date of the applicant’s mark on 12 March 2021. Although the mark is shown being used as a trade mark in the UK, it is not explicitly clear that this is in relation to the goods at issue. Further, I have no breakdown of the turnover figures in relation to the mark being used on the software alone. In the absence of any relevant turnover, advertising or market share figures in relation to the mark being used on the goods at issue in UK market, or any

⁹ Source: www.lawinsider.com, accessed on 05 April 2023.

information as to how or where potential customers were able to access the goods under the mark in the UK, I do not consider the evidence sufficient to establish that the distinctive character of the mark for the goods being relied upon has been enhanced through use.

Likelihood of confusion

52. There is no simple formula for determining whether there is a likelihood of confusion. It is clear that I must make a global assessment of the competing factors (*Sabel* at [22]), keeping in mind the interdependency between them i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa (*Canon* at [17]). I must consider the various factors from the perspective of the average consumer, bearing in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

53. There are two types of possible confusion: direct, where the average consumer mistakes one mark for the other, or indirect, where the average consumer recognises that the marks are different, but assumes that the goods and/or services are the responsibility of the same or connected undertakings. The distinction between these was explained by Mr Iain Purvis Q.C. (as he then was), sitting as the Appointed Person, in *L.A. Sugar Limited v Back Beat Inc*, Case BL-O/375/10. He said:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the

common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

54. The above are examples only which are intended to be illustrative of the general approach. These examples are not exhaustive but provide helpful focus.

55. Earlier in this decision, I found the competing goods to be identical as per the principle outlined in *Meric*. I considered the average consumer of the goods to be businesses, with the selection process being by a combination of visual and aural means, with the average consumer paying a higher than average degree of attention during the purchasing act, but not to the highest degree. I found the competing marks to be visually similar to at least a medium degree, and aurally and conceptually identical. Overall, I considered the earlier mark to be at the lower end of the range of inherent distinctive character, although not of the very lowest degree, and I found insufficient evidence to establish enhanced distinctiveness of the earlier mark through use in the UK.

56. In his first witness statement, Mr Pendleton states that he has already encountered some evidence of there being actual confusion created by the applicant and adduces exhibit RP4 which comprises copies of two emails sent to the opponent which he believes were meant to have been directed to the applicant or its related company.¹⁰ Mr Pendleton provides what he states are further examples of actual confusion in his second witness statement and accompanying exhibits. In making my decision on the likelihood of confusion, I take this evidence into consideration during the multi-factorial assessment of the various considerations in play. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. stated that:

“80.the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. **If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion.** But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.” **(My emphasis)**.

57. Although the average consumer views the mark as a whole, case law also directs me to bear in mind the dominant and distinctive elements of the marks. It is settled case-law that the average consumer is unlikely to see the marks side-by-side and will therefore be reliant on the imperfect picture of them they have kept in their mind.

58. I have weighed up each of the competing factors in my decision, not least the differences as well as the similarities between the competing marks, including the

¹⁰ See paragraphs 14-16 of the opponent's first witness statement.

degree of visual similarity between them, as well as the aural and conceptual identity, as determined above, all of which play a part. Given the identity of the goods, despite the degree of inherent distinctive character of the earlier mark being at the lower end of the range, and the higher level of attention paid by the average consumer during the purchasing process of the goods, bearing in mind the principle of imperfect recollection, I consider the differences between the marks to be insufficient to avoid them being mistakenly recalled as each other. While it is not always the case, a word is often more memorable for the average consumer, and in my view, they would be likely to recall the conjoined words "WorkPal", but be less certain about the exact presentation of the words or about the additional element present in the later mark. Consequently, I find that there is a likelihood of direct confusion between the marks.

59. In case I am wrong in this finding, and taking into account the previously outlined guidance of Mr Iain Purvis Q.C. (as he then was), in *L.A. Sugar*, I will now consider whether there might be a likelihood of indirect confusion.

60. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

61. In *Liverpool Gin Distillery Ltd and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207, the Court of Appeal dismissed an appeal against a ruling of the High Court that trade marks for the words EAGLE RARE registered for whisky and bourbon whiskey were infringed by the launch of a bourbon whiskey under the sign "American Eagle". In his decision, Lord Justice Arnold stated that:

"13. As James Mellor QC sitting as the Appointed Person pointed out in *Cheeky Italian Ltd v Sutaria* (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must

be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.”

62. Keeping in mind the global assessment of the competing factors in my decision, given that the contested mark is dominated by the words “WorkPal”, being the element in common with the opponent’s mark, it is my view that those consumers who notice the differences between the marks will conclude that they are attributable to variant brands from the same, or economically connected, undertakings. Consequently, I consider there to be a likelihood of indirect confusion in relation to the opposed goods.

63. The opposition under section 5(2)(b) succeeds in respect of the opposed Class 9 goods.

CONCLUSION

64. The opponent has been successful. Subject to any successful appeal, the application by Fonezone Telecommunications Ltd trading as Workpal will be refused in respect of the opposed Class 9 goods, being “*computer software*”.

65. I note that the opposition was not directed against the applicant’s remaining goods in Class 9, therefore the application in respect of the following, unopposed goods may proceed to registration:

“Apparatus and instruments for recording, transmitting, reproducing or processing sound, images or data; recorded and downloadable media”.

COSTS

66. The opponent has been successful, and is therefore entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice (“TPN”) 2/2016. Applying the guidance in that TPN, I award Thirsty Horses Solutions Ltd the sum of £1,100 which is calculated as follows:

Official fee: £100

Preparing the notice of opposition and considering the counterstatement: £200

Preparing and filing written submissions and evidence: £800

Total: £1,100

67. I therefore order Fonezone Telecommunications Ltd trading as Workpal to pay Thirsty Horses Solutions Ltd the sum of £1,100. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 17th day of May 2023

Suzanne Hitchings

For the Registrar,

the Comptroller-General