

O-191-11

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 2541028
IN THE NAME OF EPAY LIMITED

IN RESPECT OF THE TRADE MARK



IN CLASSES 16 AND 36

AND

THE OPPOSITION THERETO (NO 100584)
BY
TURKIYE GARANTI BANKASI ANONIM SIRKETI

Trade Marks Act 1994

**In the matter of
trade mark application 2541028
in the name of epay Limited**

in respect of the trade mark:



in classes 16 and 36

**and the opposition thereto (no 100584) by
Turkiye Garanti Bankasi Anonim Sirketi**

Introduction

1. On 5 March 2010, epay Limited (“the applicant”) applied to register the above trade mark in classes 16 and 36 of the Nice Classification system¹. Following publication of the application in the *Trade Marks Journal* on 9 April 2010, Turkiye Garanti Bankasi Anonim Sirketi (“the opponent”) filed notice of opposition against the application which is for the following goods and services:

Class 16: Non-magnetically encoded cards; non-magnetically encoded prepaid stored-value cards for allowing users to transfer financial value thereon; non-magnetically encoded debit cards; non-magnetically encoded credit cards, in International Class 16.

Class 36: Insurance and financial services; payment processing services; pre-paid purchase card services, namely, processing electronic payments made through prepaid cards; bill payment services; electronic transfer of money; cheque processing; cheque verification; electronic cheque conversion services, namely, electronic funds transfer in the field of chequing accounts; credit card transaction processing services; payment processing services, namely, credit card and debit card transaction processing services; pre-paid purchase card services, namely, processing electronic payments through pre-paid cards; highway toll collection services; electronic toll collection services, in International Class 36.

¹ International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

2. The opponent claims that registration would be contrary to section 5(2)(b) of the Trade Marks Act 1994 ('the Act'). Section 5(2)(b) of the Act states:

“(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.”

3. The opponent relies upon all the goods and services of its two earlier international registrations (“IRs”) as follows, the specifications of which are shown in Annexe 1 to this decision:

(i) 911443



Classes 9, 35, 36, 38 and 41

Protection in the United Kingdom was requested on 3 May 2006. The IR was published for opposition purposes in the UK *Trade Marks Journal* on 8 February 2008. No opposition was received to the granting of protection of the IR; consequently, the IR was protected in the UK with effect from 8 May 2008, the day after the expiry of the opposition period. It had therefore been protected in the UK for less than five years before the date of publication of the mark which is opposed. This means that IR 911443 is not subject to the proof of use provisions; it can therefore be considered on the basis of notional use of all the goods and services for which it is registered.

(ii) 911279



Classes 9, 35, 36, 38, 39 and 41

Protection in the United Kingdom was requested on 3 May 2006. The IR was published for opposition purposes in the UK *Trade Marks Journal* on 17 August 2007. No opposition was received to the granting of protection of the IR; consequently, the IR was protected in the UK with effect from 17 November 2007, the day after the expiry of the opposition period. It had therefore been protected in the UK for less than five years before the date of publication of the mark which is opposed. This means that IR 911279 is not subject to the proof of use provisions; it can therefore be considered on the basis of notional use of all the goods and services for which it is registered.

4. The opponent claims that 'flexepay' is the dominant feature in the mark applied for and that this is how the mark will be referred to; that 'pay' is generic for cards, payment services or card services and does not serve to differentiate the application from its own FLEXI mark (IR911443). It claims that the 'e' device in the application is an embellishment which does not distinguish the marks from each other. The opponent claims that there is a high degree of similarity between the marks and a high degree of similarity or identity between the goods and services, which will lead to a likelihood of confusion. The same argument is made in respect of its GARANTI FLEXI mark, which it refers to as an extension of its FLEXI mark.

5. The applicant filed a counterstatement. It admits that the class 36 services of the application are identical or similar to the class 36 services of the earlier marks, with the exception of highway toll collection services and electronic toll collection services which it denies are identical or similar to any of the goods and services of the earlier marks. The applicant denies that the word 'pay' is generic for cards, payment services or card services. It denies any similarity between the remaining goods and services, and denies that the marks are similar. The applicant denies that there is a likelihood of confusion, stating that FLEX and FLEXI are common words in trade marks in class 36, both on the trade mark register and in the market-place and that these terms are non-distinctive and descriptive in the financial services trade.

6. Neither side asked for a hearing, both being content for a decision to be made from the papers on file. Both parties filed evidence, and the applicant filed written submissions in lieu of a hearing. The written submissions were accompanied by what the applicant describes as four exhibits (A to D), without a witness statement: the exhibits consist of an extract from the Intellectual Property Office's ("IPO") Trade Mark Examination Work Manual, an extract from the trade marks register, and copies of two decisions by the Office for Harmonization of the Internal Market ("OHIM"). These exhibits are in the public domain (two of which are written and kept by the IPO). They are support for the applicant's submissions rather than of an evidential nature. I bear all the parties' evidence and submissions in mind in reaching my decision.

Evidence

7. The opponent's evidence comes from Jennifer Margaret Maddox who is a trade mark attorney at W.P. Thompson & Co., the opponent's professional representatives in these proceedings. Ms Maddox states that the main purpose of her evidence is to refute the applicant's claim, made in its counterstatement, that the word 'pay' is not generic for cards, payment services or card services. She states that her firm has conducted internet research to find examples of 'pay' in relation to the goods and services of the application. The extracts are attached to her witness statement (exhibit JMM1) and show such use as "How do I pay using my credit card or debit card?", "Pay as you go or pay monthly", "Pay now", "Pay later", "Pay in advance", yes-pay.com, PayPoint.net, RBS WorldPay, PayPal.com and Sagepay.com. Ms Maddox also exhibits extracts from the Oxford English Reference Dictionary, 2nd Edition and from the Collins Concise Dictionary, 4th Edition, showing entries for 'pay' and 'payment'. I will not set the definitions out here, as they conform to the meanings of 'pay' and 'payment' which are notorious facts.

8. The applicant's evidence comes from Stephen Richard James who is a trade mark attorney at RGC Jenkins & Co., the applicant's professional representatives in these proceedings. Mr James' evidence is to support the claim in the counterstatement that FLEX and FLEXI are common words in trade marks in class 36, both on the trade mark register and in the market-place, and that these terms are non-distinctive and descriptive in the financial services trade. Attached to Mr James' witness statement (exhibit SRJ1) are details from the trade mark register of twenty-five UK trade marks and two Community Trade Marks ("CTMs") which contain either FLEXE or FLEXI. Mr James gives further details in relation to these to support his statement that some of these marks are in use (or have ceased to be used) in the form of prints from various websites (SRJ2 to 22). I will not summarise the details of the trade marks and websites here, but will comment upon them as necessary later in this decision. Mr James also exhibits examples of FLEXI financial products available in the UK: Nationwide Flexi, Marks & Spencer (M&S) flexicash ISA, Flexicover Direct, Harlowsave Credit Union Flexi Credit, HSBC flexi loan, First Choice Credit Flexi-Loan, Royal Mail Flexiplan, Barnsley Building Society Falcon Flexi Save and Capital One Flexi Saver. Prints from the respective websites relating to these are exhibited (SRJ23 to 32) to Mr James' statement. In addition, Mr James exhibits (SRJ33) a print taken from The Free (Online) Dictionary in which Flexi- is defined as a prefix meaning flexible, as in flexitime.

Decision

9. The leading authorities which guide me are from the CJEU (Court of Justice of the European Union): *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG*

& *Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*.

(g) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

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

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(k) further, 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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

Comparison of goods and services

10. In comparing the respective specifications, all relevant factors should be considered, as per *Canon* where the ECJ 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.”

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 were:

- (a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of service;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) the extent to which the respective goods or services are competitive, taking into account how goods/services are classified in trade.

Although the applicant has admitted that some of its class 36 services are identical or similar it is necessary to determine the level of similarity of the services of the parties' competing class 36 specifications because similarity levels impact upon the consideration of a likelihood of confusion due to the interdependency principle (*Canon*), whereby a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the trade marks, and vice versa. Although the opponent relies upon all the goods and services of its registration, I will firstly look at its class 36 services (which are the same in both the earlier marks) in comparison with those in class 36 of the application. The opponent's class 36 specification is:

Insurance services; accident, life, fire, health and marine insurance underwriting, insurance investigation, actuarial, insurance consultancy; financial and monetary affairs; banking, financial management, financial analysis, financial sponsorship, financial information, factoring, leasing, issuance of credit cards for shopping by installment, exchanging money; real estate affairs, real estate brokers, apartment house management services; real estate appraisal services; antique money appraisal, antique appraisal, jewellery appraisal, stamp appraisal, art appraisal; customs brokerage.

11. Some of the terms in each party's specification are identical or fall within the ambit of terms within the competing specification, in which case the goods are considered to be identical². The applicant's *insurance services* are identical to the opponent's *insurance services* and the applicants *financial services* either encompass or are identical to the opponent's *financial and monetary affairs*. The applicant's *payment processing services; pre-paid purchase card services, namely, processing electronic payments made through prepaid cards; bill payment services; electronic transfer of money; cheque processing; cheque verification; electronic cheque conversion services, namely, electronic funds transfer in the field of chequing accounts; credit card transaction processing services; payment processing services, namely, credit card and debit card transaction processing services; pre-paid purchase card services, namely, processing electronic payments through pre-paid cards* fall within the opponent's term *banking*. All of the above services in class 36 of the application are identical to the opponent's services. Even if banking should be more narrowly defined than this, the services will still be highly similar. This leaves, in the application, the following terms, which the applicant denies are similar to any of the opponent's goods or services:

Highway toll collection services; electronic toll collection services.

² See *G rard Meric v OHIM*, General Court ('GC'), case T-133/05.

12. In addition to the authorities I have referred to above, I also bear in mind that in *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 Jacob J³ held that:

“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.”

Highway toll collection services; electronic toll collection services do not appear in the opponent’s specification. A toll is defined in Collins English Dictionary (2000 Edition) as “an amount of money levied, especially for the use of certain roads, bridges, etc., to cover the cost of maintenance.” In the context of “highway toll collection services”, this meaning is clear; however, I believe that this is also the meaning that will be attributable to the less defined “electronic toll collection services”.

13. Looking at the opponent’s class 36 specification, the only general phrases that, realistically, require analysis in line with the above authorities are “financial and monetary affairs; banking”. I am mindful that I should not give these terms a wide construction covering a vast range of activities. Banking involves a wide variety of financial transaction services: chiefly, depositing/withdrawing funds from personal or corporate accounts, credit services, bill payment services, mortgage and insurance services, investment services. Payment collection from a specific point of payment (as in toll payment collection) is not similar to a bank collecting payment via a direct debit or standing order, although the payment obtained is likely then to go to an account held by the user of the toll collection service, who will be the undertaking responsible for the road/bridge. The nature, uses and channels of trade are not the same as for banking. There is no similarity between banking and toll collection services.

14. In relation to the opponent’s “financial and monetary affairs”, whilst financial services is itself a wide term, it covers services which are specifically financial, e.g. banking and insurance. Financial and monetary *affairs* appear to encompass all things financial. Arranging and administering toll collection is a financial and monetary affair in the sense that a financial transaction takes place: money is paid by one party and collected by another (either the undertaking responsible for the road/bridge or an agent acting for them). Confining the phrase “financial and monetary affairs” to the core of its possible meanings, I find that it covers a vast range of financial services, which must include financial transactions. In line with *Meric*, there is identity between the opponent’s *financial and monetary affairs* and the applicant’s *highway toll collection services; electronic toll collection services*.

³ Jacob J also said, in *Treat*: “When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade”.

15. Having found that the applicant's services in class 36 are all identical to certain of the opponent's services in class 36, I turn to the applicant's class 16 goods, which are:

Non-magnetically encoded cards; non-magnetically encoded prepaid stored-value cards for allowing users to transfer financial value thereon; non-magnetically encoded debit cards; non-magnetically encoded credit cards.

To be able to use a debit or credit card requires them to be linked to a financial, (i.e. banking) service. This is also the case with pre-paid value cards, which are loaded with money. The financial service is indispensable for the debit/credit card to function and therefore the applicant's class 16 goods are complementary when compared to the opponent's banking service⁴. The users are the same and the intended purposes overlap in the sense that the goods are the media by which the banking service is obtained (paying for items, withdrawing cash etc). The channels of trade also coincide. The applicant's term non-magnetically encoded cards encompasses non-magnetically encoded bank debit and credit cards (as per the remainder of its specification). There is a very high degree of similarity between the opponent's *banking* services and all the applicant's goods in class 16.

Average consumer and the purchasing process

16. The average consumer is reasonably well informed and reasonably circumspect and observant, but his level of attention is likely to vary according to the category of goods or services. In this case of financial goods and services, the average consumer will range from the general public (e.g. for retail banking) through to professionals (financial management and analysis). A good deal of care and attention will be paid to the purchase of financial services owing to their importance and repercussions. The purchasing process will be mainly visual, entailing researching financial information and conditions of purchase. However, I do not ignore the aural aspect of the process, such as insurance services sold by telephone brokers and telephone banking services.



Comparison of trade marks

17. The authorities direct that, in making a comparison between the marks, I must have regard to each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and

⁴ As per *Oakley, Inc v OHIM*, Case T-116/06 (GC): "52 Regarding, third, the complementary nature of the services and goods in question, found to exist by the Board of Appeal in paragraph 23 of the contested decision, it should be pointed out that, according to settled caselaw, complementary goods are those which are closely connected in the sense that one is indispensable or important for the use of the other, so that consumers may think that the same undertaking is responsible for both (see, to that effect, *SISSI ROSSI*, paragraph 49 above, paragraph 60; *PAM PLUVIAL*, paragraph 49 above, paragraph 94; and *PiraNAM diseño original Juan Bolaños*, paragraph 49 above, paragraph 48)."

dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

18. The marks to be compared are:

Opponent's marks	IR
	

19. The point of convergence between the opponent's marks and the application is 'flex'. The presence in GARANTI FLEXI of GARANTI is matter which puts it at a further distance from the application than the opponent's FLEXI mark. If the opponent does not succeed in relation to its FLEXI mark, it will be in no better position in relation to GARANTI FLEXI, so I will confine my comparison to the opponent's FLEXI mark (IR911443).

20. The opponent claims that flexepay is the dominant feature in the mark applied for and that this is to how the mark will be referred. Visual perception of the mark includes the device element which forms part of the overall perception of the applicant's mark, as per *Shaker*⁵. It is certainly not negligible, although its

⁵ "41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

size and position means that it is slightly less dominant than the word element which is presented on a horizontal axis and is the larger of the two elements of the applicant's mark. This is the reason why the word is dominant, rather than because it is only the word element which will be pronounced⁶. The opponent's mark consists of a single component which does not separate into comparative distinctive and dominant components.

21. The opponent's mark is presented in a cursive script, reminiscent of handwriting, whilst the applicant's mark is in an unremarkable typeface (the FLEXEPAY element), enclosed within a simple line border which extends to surround the 'e' device element. The device element is clearly the letter 'e' presented on a square block on its point: the 'e' is slanting upwards compared to the word flexepay. On close appraisal, the 'epay' element appears to be in bolder type than 'flex', but I think it unlikely that this would be noticed in the normal purchasing process, even though that process is a careful one. There is no device element in the opponent's mark: the single point of similarity between the marks is 'flex'. These letters appear at the beginning of each party's mark. The 'epay' element and the device element share nothing in common with the opponent's mark. There is a low degree of visual similarity between the marks.

22. The opponent's mark will be pronounced as 'flexy'. The applicant's mark is presented as one word with the following pronunciation possibilities: 'flexy-pay', 'flex-ee-pay' or 'flex-pay' (the middle e being silent). I consider the latter to be the least likely pronunciation of the three. The first two possibilities both incorporate the 'flexy' sound at the start of the mark. Owing to this, and bearing in mind that the 'pay' element is absent from the opponent's mark and the device will not be pronounced, there is a reasonable degree of aural similarity between the marks.

23. The applicant has filed as evidence a print taken from The Free (Online) Dictionary in which Flexi- is defined as a prefix meaning flexible, as in flexitime. 'Flexi'. I have been unable to find it in regular English language dictionaries (Chambers 21st and Collins), but I note that the applicant has filed the following entry from the IPO's Trade Mark Examination Work Manual (addendum):

As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element."

⁶ The CJEU stated in *L&D SA v OHIM* [2008] E.T.M.R. 62: "55 Furthermore, inasmuch as L & D further submits that the assessment of the Court of First Instance, according to which the silhouette of a fir tree plays a predominant role in the ARBRE MAGIQUE mark, diverges from the case-law of the Court of Justice, it need only be stated that, contrary to what the appellant asserts, that case-law does not in any way show that, in the case of mixed trade marks comprising both graphic and word elements, the word elements must systematically be regarded as dominant."

“• FLEXI and FLEX

When examining marks consisting of or incorporating FLEX/FLEXI, it is important to consider the message conveyed by the mark as a whole. Where flexibility is a desirable characteristic of the goods with which the mark is used, it is less likely that the mark as a whole will give a distinctive trademark message. So for example, FLEXI PIPE (for pipes) would not be acceptable.

Where flexibility is not a usual or desirable characteristic of the goods, it is more likely that the mark as a whole will be distinctive e.g. FLEXIHERB for food supplements or FLEXIBUILD for racking units. Equally where the message conveyed is not directly descriptive, it is possible that a mark may have distinctive character, even if the goods with which it is used are flexible by nature. So FLEXIGUARD has been accepted in respect of floor coverings. Each case must be examined on its own facts.”

Whether it is a prefix in a trade mark, or (as in the case of the opponent’s mark), whether it is the entire mark, FLEX or FLEXI denotes something which possesses flexible characteristics. The above examination practice entry in the Work Manual leans towards actual goods, but flexi is equally applicable to the provision of services which are flexible or adaptable in some way. As the opponent’s mark consists entirely of ‘flexi’, this is the concept of its mark. The applicant’s mark contains FLEX and the additional ‘epay’ (or ‘pay’ depending on the pronunciation) and the device. The device is a stylised letter ‘e’ which does not create a concept of itself. The epay/pay element has a clear conceptual significance relating to financial transactions (payments). If the mark is seen or heard as FLEX-EPAY, the financial transaction concept will be that of electronic payment. Viewed as a whole, the concept of applicant’s mark is one of flexible (electronic) payment services. The ‘Flex/flexi’ element, being common to both marks, means that there is a reasonable level of conceptual similarity between the marks (even though it is not a regular dictionary word, it is clearly shorthand for flexible). Overall, there is a reasonable level of similarity between the marks.

Distinctiveness of the opponent’s mark

24. It is necessary to consider the distinctive character of the opponent’s mark because the more distinctive it is, either by inherent nature or by use (nurture) the greater the likelihood of confusion⁷. The distinctive character of a trade mark must be assessed by reference to the goods or services in respect of which registration is sought and by reference to the way it is perceived by the relevant public⁸. The opponent has not filed evidence of use of the mark so cannot claim the benefit of enhanced distinctive character through use. The assessment must

⁷ *Sabel BV v Puma AG* [1998] RPC 199.

⁸ *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

be made on the basis of inherent nature. The applicant's evidence is directed at showing that FLEXI is meaningful or common in the financial trade. Whilst state of the register evidence is rarely determinative of such an argument (I note that the applicant has endeavoured to show that the trade marks on the register are in use or have been in use), it provides support to the view above as to concept and that having the capacity for a flexible services means that FLEXI possesses a relatively weak level of inherent distinctive character.

Likelihood of confusion

25. In deciding whether there is a likelihood of confusion between the marks, I must weigh the various factors I have identified and also bear in mind the principle of interdependency, whereby a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon*). The class 36 services of the parties are identical (or at least highly similar) and I have found a very high degree of similarity between the applicant's goods in class 16 and the opponent's services in class 36. I keep in mind the whole mark comparison, and the weight and effect of the mainly visual and careful purchasing process. Although the average consumer rarely has the opportunity to compare marks side by side, relying instead upon the imperfect picture he has of them in his mind, a careful purchasing process can mitigate the likelihood of imperfect recollection, as per the CJEU's observation in *Picasso v OHIM*, Case C-361/04, [2006] E.T.M.R.29, the logic of which would appear to hold as much for services as for goods:

"40. Where it is established in fact that the objective characteristics of a given product mean that the average consumer purchases it only after a particularly careful examination, it is important in law to take into account that such a fact may reduce the likelihood of confusion between marks relating to such goods at the crucial moment when the choice between those goods and marks is made."

26. The careful purchasing process means that scrutiny of the goods and services will be likely to involve a visual examination. Although I do not ignore the potential for aural reference to be made to the marks in the purchasing process, it is the visual aspect of the comparison which carries more weight. I have found there to be a low degree of visual similarity. The opponent claims that 'flexepay' is how the applicant's mark will be referred to, but this claim only takes account of an aural perception of the mark; a visual perception of the mark will take account of the overall impression of all the elements of which the applicant's mark is composed.

27. The shared 'flexible' concept of the marks has to be balanced against the level of distinctive character of the FLEX/I element. I have found this to be a weakly distinctive element, although I bear in mind that this does not, of itself,

obviate a likelihood of confusion⁹. Although it is a rule of thumb that consumers normally attach more importance to the first part of words, this is not a hard and fast rule; if the beginning of both marks is a descriptive or common combining form, the importance may be reduced, as per *Castellani SpA v OHIM*, T-149/06 and *Spa Monopole, compagnie fermière de Spa SA/NV v OHIM*, Case T-438/07. Further, the ‘flex’ element in ‘flexepay’ plays an adjectival role in relation to epay, (flexible electronic payment) which means that it is subordinate to epay¹⁰; it cannot be said that the flex element dominates, by itself, the overall impression of the applicant’s composite mark. The opponent’s claim that ‘pay’ is generic for payment cards and services, thereby meaning that no account should be taken of the epay/pay element because it is a description of the goods/services offered under the mark FLEX/I, is to ignore the whole mark comparison and the careful, visual purchasing process. The average consumer will not perceive an economic link because FLEXI, in the applied for mark, indicates a flexible payment system and the consumer will not believe that another sign which contains the word FLEXI, or even the word FLEXI on its own, will denote the same or linked economic undertakings. There is clear capacity for direct confusion to be avoided when the marks as a whole are considered. In relation to indirect confusion, the consumer will not make an assumption of an economic link on the basis of what is a weak element. Taking all the various factors into account, I find that the opposition fails.

Costs

28. The applicant has been successful and is entitled to an award of costs, which I award on the following basis¹¹:

Considering the other side’s statement
and preparing a counterstatement:

£400

⁹ GC, *Air Products and Chemicals OHIM*, Joined Cases T – 305/06 to T 307/06.

¹⁰ The GC in *Citigroup, Inc v OHIM Case T-325/04* considered the weight and conceptual effect of the two elements of WORLDBANK:

“82 Visually and phonetically, the weight of the two elements cited above in the perception of the relevant public is comparable, since the impact of the element ‘world’ is slightly more pronounced on account of its position at the beginning of the mark applied for. Conceptually, however, in accordance with the rules of English grammar, the element ‘world’ will be perceived by the relevant consumers, on account of its position at the beginning, as an adjective meaning ‘global’ and qualifying that element ‘link’. Thus, the conceptual weight of the element ‘world’ will be less than that of the element ‘link’, since the first element is subordinate to the second one. Moreover, on account of its meaning, the element ‘world’ will be perceived as being descriptive of one aspect of the services covered, since financial services are often provided at a global level, whilst the element ‘link’ is at most allusive in relation to those services, as was found at paragraph 68 above. It follows that, conceptually, the element ‘link’ is significantly more important in the overall impression given by the mark applied for. However, its distinctive character is not sufficient to render the other element negligible, which means that it cannot be regarded as the dominant element of that mark.”

¹¹ As per the scale in Tribunal Practice Notice 4/2007.

Preparing evidence and considering and commenting on the other side's evidence:	£700
Written submissions in lieu of a hearing:	£400
Total:	£1500

29. I order to pay Turkiye Garanti Bankasi Anonim Sirketi to pay to epay Limited the sum of £1500. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6 day of June 2011

**Judi Pike
For the Registrar,
the Comptroller-General**

Annexe 1

911443



Class 9: Automated teller machines (atm), blank electronic chip and magnetically encoded debit cards and credit cards, banker's cards.

Class 35: Advertising services, advertising agencies, radio and television commercials, dissemination of advertising matters, organization of exhibitions for commercial or advertising purposes, modelling for advertising or sales promotion, marketing studies, sale promotions, shop window dressing, questionnaire services, public relations; office functions; secretarial services, document reproduction, photocopying, typing services, word processing, compilation of information into computer databases, systemization of information into computer databases, telephone answering services, arranging newspaper subscriptions, rental of office machines and equipment, rental of vending machines; business administration services; commercial or industrial management assistance, consultancy of business management and organization, business management of hotels, business investigation, statistical information, personnel management consultancy, personnel recruitment, accounting, drawing up of statements of accounts, auditing, price analysis, economic forecasting, payroll preparation, tax preparation; import and export agencies; business management of performing artists; expertise services for industrial and commercial goods, auctioneering; retail services connected with automated teller machines (atm), blank electronic chip and magnetically encoded debit cards and credit cards and banker's cards.

Class 36: Insurance services; accident, life, fire, health and marine insurance underwriting, insurance investigation, actuarial, insurance consultancy; financial and monetary affairs; banking, financial management, financial analysis, financial sponsorship, financial information, factoring, leasing, issuance of credit cards for shopping by installment, exchanging money; real estate affairs, real estate brokers, apartment house management services; real estate appraisal services; antique money appraisal, antique appraisal, jewellery appraisal, stamp appraisal, art appraisal; customs brokerage.

Class 38: Radio and television broadcasting services, arrangement of the broadcasting flow of radio, television and other communication devices;

communication services; communication services by cellular telephones, communication services by satellite, communication services between computers, communication services by telegraph, communication services by telephone, transmission of images and messages via computer, e-mail services, fax-sending services, telegraph services, telephone services, telex services, informative services related to communication, consultancy services related to communication, providing access for users to global computer network (Internet) services; rental of communication instruments and devices; news agency services (distribution of collected information).

Class 41: Education and instruction services; animal-training services, symposia, conference, congress, seminar organization and administration services; museum services; organization and administration of beauty contests, organization of dance shows, organization of dance contests; library services; publication of magazines, books, newspapers etc. services, sports services, arrangement of organizations for sports purposes; entertainment services; casino services, production services of film, television and radio programs; production services of radio and television programs (except for advertisement programs), production of cinefilms and video films, recording studio services, film dubbing services, rental of radio and television receivers, rental of cine-films and video films, rental of cine-film projectors and accessories thereof, rental of sound recording devices, rental of video tapes, rental of video tape recorders; services related to artistic activities; providing movie activities, theatre services, orchestra services, organization of concerts services, organization of shows services, reservation services for shows, modeling services for artists, rental of stage and show decorations; news correspondent services, newspaper photographer services, photographer services, microfilm services, translation services; sign language translation services, translation services.

(ii) 911279

GARANTI FLEXI

Class 9: Apparatus and instruments used for measuring, weighing and evaluation in the field of science, laboratory, nautical, topography, meteorology, electric, photography, cinematography; equipment testing apparatus and instruments; barometers, ammeters, gas testing instruments, slide calipers, hygrometers, thermometers, voltmeters, microscopes, magnifying glass (optic), telescopes, periscopes; equipments used in laboratory; test tubes, measuring tubes; furnaces for laboratory experiments, furniture especially made for laboratories; illuminated advertisement boards, scoreboards, electric notice

boards; instruments for recording, transmission or reproduction of sound or image (except communication instruments); radios, televisions, videos, cameras, audio apparatus and instruments, amusement apparatus adapted for use with television receivers only, cinematographic instruments, remote control machines, headphones, loudspeakers, megaphones, intercommunication apparatus, picture and slide projectors; data processing equipments; computers, computer software and hardware, printers for use with computers, laser printers for use with computers, scanners, cash registers, calculating machines, bar code readers, part and fittings for aforesaid goods, navigation apparatus for vehicles (on-board computers); magnetic and optic data carriers; discs, cassettes, disks, floppy disks, CDs, films exposed; all kinds of cameras (photography), parts and accessories of cameras, enlarging apparatus (photography); films (cinematography and photography), x-ray films; antennas, satellite antennas, amplifiers and parts thereof; electric apparatus for remote ignition; mechanisms for coin, card and token operated apparatus; automatic vending machines, coin operated photography machines, ticket automats, weighing automats, automatic money withdraw machines; electronic components for machines and instruments; conductors, electronic circuits, integrates, chips, photocell, diodes, transistors, circuit cards, crystal oscillators, condensers (capacitors), interface circuits, relays, liquid crystal displays, hybrid circuits, thermistor, converters, magnetic heads, magnetic deviators; communication machines; telephones, facsimile machines, telex machines, telegraph machines, wireless, switchboards; electric machines for copying and reproduction; photocopiers, blueprint machines; counters; counters for water and electricity, gasometers, gasoline pumps for service stations, parking meters, timers, egg timers (sandglass); electronic and magnetic cards: telephone cards, banking cards; automatic cards to open and close doors, electronic cards for counters, electronic tickets; weighing machines; precision balances, scale, balances (steelyards); detectors, roentgen apparatus not for medical purposes, x-ray machines not for medical purposes, radiological apparatus for industrial purposes; life saving and protecting instruments; life jackets, life buoys, swimming jackets, respiratory masks, diving suits, divers' masks, safety restraints, safety nets, protective clothes, gloves, glasses and helmets; signalling whistles and signal lanterns, signalling buoys; eyeglasses; sunglasses, optical lenses, eyeglass and lens cases, parts and fittings of these goods; electric equipments; plugs, sockets, junction box, electric switches, circuit breakers, circuit closers, fuses, ballasts, starters, electric boards, elevator operating apparatus, clips, conduits, cable raceway, buttons, resistances, connectors (electric), instruments and apparatus for conducting, switching, transforming, accumulating, regulating or controlling electricity; adapters, chargers; electric doorbells, alarms (other than automobile alarms), sirens; cables and wires; all kinds of cables and wires used for electric and telephone lines, optical fibers, fiber optic cables; power suppliers; accumulators, solar batteries, batteries, continuous power suppliers; irons, electric irons, steam iron, press iron; indicators for vehicles; speed, oil, fuel and heat indicators, tachometers, taximeters; balancing apparatus; vehicle breakdown warning triangles, road signs (luminous or mechanical), mechanical

or electrical equipment for traffic signalization, controlling equipments for road junctions, flashing lights; fire extinguisher instruments, fire-extinguishing apparatus; apparatus for electric welding machines; soldering irons, welding electrodes for electric spot welding machines and electric soldering machines; radar apparatus, sonars, night vision apparatus; lighting conductors; set square, spirit levels, meters, measures, plumb bobs; dosage dispensers; electrically heated hair-curlers; electric devices for attracting and killing insects; automatic doors for buildings, automatic turnstiles, electric door openers and closers; satellites for scientific purposes; apparatus for electrolyzers, galvanizing apparatus; anodes, cathodes; filters for computer and television screens; remote control mechanisms for vehicle doors; magnets, decorative magnets; ear plugs.

Class 35: Advertising services, advertising agencies, radio and television commercials, dissemination of advertising matters, organization of exhibitions for commercial or advertising purposes, modeling for advertising or sales promotion, marketing studies, sale promotions, shop window dressing, questionnaire services, public relations; office functions; secretarial services, document reproduction, photocopying, typing services, word processing, compilation of information into computer databases, systemization of information into computer databases, telephone answering services, arranging newspaper subscriptions, rental of office machines and equipments, rental of vending machines; business administration services; commercial or industrial management assistance, consultancy of business management and organization, business management of hotels, business investigation, statistical information, personnel management consultancy, personnel recruitment, accounting, drawing up of statements of accounts, auditing, price analysis, economic forecasting, payroll preparation, tax preparation; import and export agencies; business management of performing artists; expertise services for industrial and commercial goods, auctioneering.

Class 36: Insurance services; accident, life, fire, health and marine insurance underwriting, insurance investigation, actuarial, insurance consultancy; financial and monetary affairs; banking, financial management, financial analysis, financial sponsorship, financial information, factoring, leasing, issuance of credit cards for shopping by installment, exchanging money; real estate affairs, real estate brokers, apartment house management services; real estate appraisal services; antique money appraisal, antique appraisal, jewellery appraisal, stamp appraisal, art appraisal; customs brokerage.

Class 38: Radio and television broadcasting services, arrangement of the broadcasting flow of radio, television and other communication devices; communication services; communication services by cellular telephones, communication services by satellite, communication services between computers, communication services by telegraph, communication services by telephone, transmission of images and messages via computer, e-mail services, fax-sending services, telegraph services, telephone services, telex services, informative services related to communication, consultancy services related to

communication, providing access for users to global computer network (Internet) services; rental of communication instruments and devices; news agency services (distribution of collected information).

Class 39: Land, air and sea transport services; transport commission agency services, freight commission agency services, ship agency services, ambulance services, private chauffeur services, pilot services, tourist bureaus (except for hotel reservations), booking (reservation) for travel, tour organization services, messages and goods delivery by courier, distribution of goods by mail services, transport and delivery of goods services, newspaper distribution services, package delivery services; rental of land, air and sea vehicles; parking lot services, garage rental services, boat sheltering services, pipeline transport services; electricity distribution services, water supply services, vehicle and good rescue services; storage, packaging and crating of goods; garbage storage and transport services, waste collection and transport services, rental of diver's decompression chamber, rental of diver's suit.

Class 41: Education and instruction services; animal training services, symposia, conference, congress, seminar organization and administration services; museum services; organization and administration of beauty contests, organization of dance shows, organization of dance contests; library services; publication of magazines, books, newspapers services, sports services, arrangement of organizations for sports purposes; entertainment services; casino services, production services of film, television and radio programs; production services of radio and television programs (except for advertisement programs), production of cinefilms and video films, recording studio services, film dubbing services, rental of radio and television receivers, rental of cine-films and video films, rental of cine-film projectors and accessories thereof, rental of sound recording devices, rental of video tapes, rental of video tape recorders; services related to the artistic activities; providing movie activities, theatre services, orchestra services, organization of concerts services, organization of shows services, reservation services for shows, modeling services for artists, rental of stage and show decorations; news correspondent services, newspaper photographer services, photographer services, microfilm services, translation services; sign language translation services, translation services.