

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2431271 BY TAYLOR JAMES PHOTOGRAPHIC SERVICES LIMITED TO REGISTER A SERIES OF SIX TRADE MARKS IN CLASSES 40, 41 AND 42

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 95789 BY REAL WORLD HOLDINGS LIMITED

DECISION

Introduction

1. This is an appeal against the Decision of the Hearing Officer, Mr George Salthouse, dated 2nd June 2009, in which he partly upheld an opposition to the registration of a series of six logo trade marks:





for the following services (as amended):

Class 40: Film development and reproduction of photographs; photographic processing; photographic retouching; printing.

Class 41: Photographs; digital imaging services; film production; modeling for artists.

Class 42: Computer aided graphic design; graphic design services; computer services for the production of computer generated imagery; stock photographic services, namely leasing reproduction rights of photographs and transparencies to others.

Grounds of Opposition

2. The opposition was based on Sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 and, in relation to the former, the opponent relied on a number of prior registered trade marks as follows:

REAL WORLD CTM 24422

Application and Registration dates: 01.04.1996 & 23.08.2000

Class 9: Apparatus and instruments for the input, output, storage, retrieval, display, communication and transmission of data, sound and images; apparatus and instruments for use in recording studios; audio tapes, compact discs, gramophone records, video tapes, video and film recordings, CD-Roms, computer software and computer programs; parts and fittings for all the aforesaid goods.

Class 16: Printed publications, magazines, books and printed matter relating to the music and entertainment industries; paper articles, posters, postcards, calendars, wall charts, bookmarkers, playing cards, stationery, greetings cards, handbooks, manuals, maps, pamphlets, photographs, pictures, writing materials, writing pads, writing paper and envelopes.

Class 41: Entertainment services; amusement and theme park services; organisation of shows and concerts; music recording studio services; production of films, videos, radio and television programmes; booking agency services for performing artists; live band performances; audio and video recording services; education and training services relating to the music and entertainment industries; provision of recreation facilities.

REAL WORLD (in a logo form) CTM 3448032, Application date 20.10.2003



Class 9: Apparatus and instruments for use in the input, output, storage, reception, recording, retrieval, display, communication and transmission of data, sound and/or images; apparatus and instruments for use in recording studios; electric and electronic sound systems, amplifiers, synthesisers, keyboards and other musical instruments; microphones and speakers; players and recorders for compact discs, mini discs, DVDs and other recording and/or playback media; analogue, digital, electronic, magnetic and optical recording media; audio and video tapes; cassettes; gramophone records; vinyl records; compact discs; DVDs, audio and/or video tapes; magnetic tapes; magnetic discs; magnetic data carriers; digital records, tapes, discs, compact discs and cassettes, all either blank or previously recorded; racks and containers for storing or carrying any of the aforesaid goods; computers and computer software; computer programs; electronically, magnetically and optically recorded data for computers; parts, fittings and accessories for all the aforesaid goods; downloadable audio and video files; downloadable electronic publications.

Class 16: Printed matter; printed publications; paper articles; periodicals, books and magazines; brochures; printed programmes; posters; postcards; calendars; wall charts; bookmarkers; stationery; greeting cards; handbooks; manuals; maps; pamphlets; photographs; pictures; writing materials, writing pads, writing paper and envelopes; sheet music; record sleeves, inserts for compact discs, mini-discs, DVD and CD-ROM cases; stickers and labels, including pre-printed labels; instructional and teaching materials.

Class 41: Entertainment and cultural activities; entertainment services including provision of festival and concert facilities; production and presentation of concerts for television and radio shows and for Internet broadcasts; production and presentation of films, videos, radio, television and Internet programmes; amusement and theme park services; organising, promoting and conducting live performances, stage shows, concerts and theatre productions; stage, screen, radio, television and Internet entertainment services; recording studio services; production, presentation, distribution, syndication, lending and rental of cassettes, discs, tapes, video tapes, cartridges, video discs, compact discs, vinyl discs, CD-ROMs, DVDs and other analogue, digital, electronic, magnetic and optical recording media; booking agency services for performing artists; live band performances; audio and video recording services; education and training services; provision of recreation facilities; publishing services.

REAL WORLD (word mark) with a disclaimer to the effect that registration of the mark shall give no right to the exclusive use of the word "World": UK 1450804 Application and registration dates 17.12.1990 & 15.01.1993

Class 41: Film and video production services; provision of film and video studio facilities; all included in Class 41...Music recording studio services; amusement and theme park services; pop musicconcerts; organising of shows and concerts; all included in Class 41.

The parties' businesses

3. The Hearing Officer found that the main thrust of the opponent's business was that of a music film and video recording studio which also provided peripheral services, such as album cover design and photographs, either as a promotional aid for an album or single or for concerts. He accepted in connection with the s.5(4) challenge that the opponent also had relevant goodwill in respect of the provision of recording studio services for music, film and video.

4. I was told that the applicant, Taylor James Photograph Services Limited, undertakes work primarily in the field of computer generated imaging for films, an aspect of which activity is known in the field as "rendering". Some of the specific services are of a different kind to others with respect to the level of professional attention which would be devoted to their selection and use. Whereas film development is a "high street" service, services such as computer aided graphic design, computer services for the production of computer generated imagery and the like are services likely to be delivered by specialist undertakings to specialist and very well informed customers. At the hearing, it was made clear that the services of prime concern to the applicant

were the class 42 services. Although I have considered the entire grounds of appeal, I specifically consider these services at the end of this decision.

The unsuccessful s. 5(4)(a) ground of opposition

5. The Hearing Officer made the following findings of fact in relation to the s.5(4)(a) objection.

(a) The opponent only had goodwill as a music film and recording studio.

(b) The main thrust of the opponent's business is that of a music, film and recording studio, which also provides peripheral services such as album cover design and photographs.

(c) The marks that the opponent had used was very similar to the marks proposed to be registered by the Applicant.

(d) However, even though the marks were very similar, there was such a difference between the actual filed of activity of the two parties that there would be no misrepresentation, nor damage and the claim that there would be passing off failed.

6. The Hearing Officer therefore rejected that ground in its entirety, applying the test in *WILD CHILD* [1998] RPC 455. The opponent does not challenge the Hearing Officer's Decision in this respect. This is of some significance because the opponent is not contending (and I was told) does not contend that the applicant's business is treading on the opponent's commercial territory sufficiently to warrant, for example, proceedings for infringement based on the earlier marks. That is unsurprising: the respective fields of actual activity seem to me to be far apart.

The partially successful ground of opposition under s. 5(2)(b)

7. The main ground opposition, and the central arguments developed on appeal, come down to two narrow question of whether, pursuant to s.5(2)(b) of the Trade Marks Act 1994¹, certain

¹ Section 5(2)(b) provides that 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 to be protected, there exists a likelihood of confusion on the part of the public which includes the likelihood of association with the earlier trade mark."

specific goods and services were sufficiently similar such that there was a likelihood of confusion, having regard to the close similarity of the marks and to the specification of goods and services of the earlier marks of which use had been proven.

8. The Hearing Officer concluded that the opposition succeeded in relation to the following services:

Class 41: Photography; digital imaging services; film production.

Class 42: Computer aided graphic design; graphic design services; computer services for the production of computer-generated imagery; stock photography services, namely leasing reproduction rights of photographs and transparencies to others.

9. However, the Hearing Officer rejected the opposition in respect of the following services:

Class 40: Film development and reproduction of photographs; photographic processing; photographic retouching; printing.

Class 41: Modeling for artists.

Principles

10. An appeal of this nature is a review of the Hearing Officer's decision. The approach of Walker LJ in *REEF Trade Mark* [2002] EWCA Civ. 763 [2003] RPC 5 at [28], applies namely that "an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle". *REEF* and *BUD Trade Mark* [2003] RPC 25 show that surprise at a Hearing Officer's conclusion does not suffice to justify interference by this tribunal. Before that is warranted, it is necessary to be satisfied that there is a "distinct and material error of principle" or that the Hearing Officer's decision was clearly wrong.

11. Although at the hearing, the focus was on the substantive grounds of appeal, procedural objections were also still live. I deal with these first.

Procedural grounds

12. The first procedural issue relates to the role of the preliminary indication. The procedural course of this application has not been wholly straightforward. The Intellectual Property Office gave a preliminary indication in relation to the ground of opposition under section 5(2)(b) of the

Trade Marks Act 1994. The Hearing Officer's Decision was not entirely the same as that proposed in the preliminary indication given by the Principal Hearing Officer in a letter of 11 February 2008 but it was along similar lines. In particular, the preliminary indication also suggested that the mark would not be registrable for, among other services, photography, digital imaging services and film production. The indication was that there was a likelihood of confusion for some goods and services. I am not persuaded that there is anything in the applicant's point that the Decision fails to take proper account of the preliminary indication. The Hearing Officer was not bound to do so.

13. Second, the applicant contends that the procedure adopted by the IPO of issuing a provisional decision proved unhelpful and put the applicant to additional expense as the two decisions differ. It is said that the Registrar declined on 24 June 2009 to clarify the changes. This was a reference to an earlier decision of 18 March 2009 by the same Hearing Officer in similar terms which had taken a somewhat different view of the comparison of some of the goods and services and had stayed "the decision", pending the outcome of an opposition to the earlier logo form CTM at OHIM (see paragraph 45 of the earlier decision).

14. I raised with the applicant's representative at the hearing the question of whether it was her position that the earlier provisional decision rendered the Hearing Officer *functus officio*, which would, at least arguably, have had the effect of rendering his later Decision of no effect. This was not an argument expressly made in the applicant's skeleton but appeared to be a consequence of the way in which the point was put. The applicant's representative confirmed that this was one way in which the argument could be developed. However, the opponent was not represented at the hearing and had not addressed this point. In addition, the Registrar had not had notice of that point and was not able to make observations on this issue.

15. Although a case can be made for an appellate tribunal requiring full argument on a point of this kind and I have considered this course, I am not persuaded that this would be appropriate in this case. Whether an interim decision made by a Hearing Officer renders that tribunal *functus* must take account of the common practice of the Registry in issuing preliminary views and staying proceedings, pending registration of an earlier mark. In this case, the Hearing Officer was not, in his earlier decision, *prima facie*, purporting to resolve the opposition finally. A *functus* argument is therefore unpromising at the outset. Moreover, because only faint argument

was directed specifically to this issue in the applicant's skeleton argument, the opponent and registrar could not anticipate that it would be taken. It would therefore not be right to decide this appeal on that basis. If an argument is to be made that the Hearing Officer's decision below was a nullity, that must be squarely foreshadowed in the grounds of appeal.

16. Third, the Grounds of Appeal state (paragraph 12) that the Decision was issued prematurely as the CTM 3448032 was still pending at the date of the decision. This may be formally true but by the date of the Decision, it was known, as I understand the position, that the opposition to registration of the earlier CTM had been unsuccessful. In addition, the CTM was however registered by the date of the appeal hearing and this issue is academic.

17. Finally, as to procedure, it is said that the Hearing Officer failed to have regard to certain earlier submissions of the applicant as regards the nature of the average consumer. I deal with this below, under substantive grounds.

18. Accordingly, I do not consider there to be substance in the procedural objections.

Substantive grounds

19. The applicant contends that the mark should have been registered for all of the services applied for and that there was no likelihood of confusion with respect to the services for which the mark was refused registration. The opponent considers that the Hearing Officer's decision should be upheld in its entirety, that he identified the relevant law and applied it correctly to the facts. In seeking to refute certain points made by the applicant, the opponent's skeleton argument on the appeal seems to me to go further than the evidence filed in suggesting the opponent's activities and I have not taken account of it on this appeal, in so far as it does.

20. In broad terms, the substantive appeal raises the following two issues, as they were distilled at the hearing, although both in the grounds of appeal and in the skeleton argument a number of sub-points arise under each head.

(a) The approach to the evidence of use, for the proof of use requirements.

(b) The approach to comparison of mark and sign and the comparison of goods and services so as to lead to a likelihood of confusion.

A. Proof of use

21. Paragraph 6A(2) of The Trade Marks (Proof of Use, etc.) Regulations 2004, required the opponent in this case to prove use of the marks relied on from five years before the publication date of the applications for CTM 24422 and UK 1450804, in order to be able to rely on them in for the s.5(2)(b) challenge.

22. Evidence of use was provided by way of a short witness statement of Mr Benjamin Neilus Britter, the opponent's trade mark attorney. There was no evidence from any person who might have had direct firsthand knowledge of use.

23. The Hearing Officer evaluated the evidence of use at paragraphs 12 to 17 of the Decision and concluded that the opponent's evidence within the relevant period, showed use with regard only to a record label which offers a full studio and mixing facility, together with the production of CDs and DVDs. He held that in furtherance of this business, the opponent had produced a promotional newsletter or magazine, postcards, music catalogue and website. They also video and photograph the artists in concert.

24. The applicant's first argument under this head is that there has been no attempt to weigh the evidence and criticizes the fact that evidence of use was not given from someone closer to the facts.

25. It has been repeatedly emphasized (see e.g. *Extreme TM* [2008] RPC 2) that it is preferable for evidence of use to be given by a witness with first hand knowledge. To that extent, the applicant's criticism has force. It was said on behalf of the applicant at the hearing that Mr Britter was "very remote" from the opponent. I agree. The evidence should have been given by someone closer to the actual trading rather than by a trade mark agent who says, non-specifically, that the information provided has "come from the Opponent" without saying who. In particular, evidence is given in relation to "photography services provided by an employee of the Opponent..." In my view, this is the kind of evidence which should be given by someone with direct knowledge, since it relates not only to the extent of the use but the extent to which the mark in question has been used for those precise services.

26. However, the question on this appeal is whether, in the absence of such direct evidence, the Hearing Officer was right in this case to give the indirect evidence the weight he did.

27. In my judgment, the Hearing Officer was entitled to reach the conclusions he did on the basis of the evidence provided, even though it may have tested the boundaries of adequacy. In reaching that conclusion, I consider the following points to be of greatest relevance. The evidence largely relies on exhibits the authenticity of which is not challenged. One of these, a DVD, states that it is “© 2004 Peter Gabriel Ltd and Real World Productions Ltd” and bears the opponent’s mark in logo form in the place and manner that one would expect to see the mark of the production company for the DVD. This supports the claim of use, inter alia, in relation to “Film and video production services” which lies at the heart of the case. The applicant also criticizes the absence of financial or trading information and, as the applicant’s representative said at the hearing, there was an overly ambitious jump from what was shown to more than can be justified on the material. The applicant’s argument here was that, although use had been proven in relation to class 9 goods (CVs, DVDs) it had not been proven in relation to the production of films and videos and audio and video recording services (save to a very limited extent). It was accepted at the hearing that Peter Gabriel, the well-known principal of the opponent, has a recording studio which he makes available for rent and, on that basis and it was accepted that the marks were used in respect of music recording studio services but no more.

28. I do not accept that the evidence of use overall was insufficient to found a finding of use in relation to film and video production services: “REAL WORLD” appears on the DVD in a position where one would expect to find the mark of the production company. The Hearing Officer was entitled to form the view that this was evidence of use in relation to such services.

29. Moreover, this evidence was not challenged by cross-examination. There was no responsive evidence or a request for more detailed information. A Hearing Officer it not bound to accept all evidence at face value in the absence of a challenge in cross-examination or countervailing evidence, no matter how incredible or flimsy it is, but normally such material should be accepted (see *National Westminster Bank v. Daniel* [1993] 1 WLR 1453 and *Extreme TM* cited above). He was entitled to accept it in this case.

30. Third, it is said that the Hearing Officer wrongly failed to refer to the correspondence from the applicant relating to the weakness of this material but he implicitly rejected the contention that the evidence was to be given no weight. There was no explicit mention the guidance in the Tribunal Practice Notice on Hearsay Evidence but the experienced Hearing Officer must have been aware of the need to take account of the matters particularly mentioned in s.4(2) of the Civil Evidence Act 1995. Some of the s.4(2) factors require the tribunal to consider whether there is anything which is likely to make the evidence unreliable. There is nothing in this case which suggests that it is.

31. While others may legitimately take a harder line in relation to the absence of financial information tied specifically to the services in question, I do not consider that it amounts to an error of principle for the Hearing Officer to have approached the issue in the way that he did. The Hearing Officer was entitled to accept that this evidence of use satisfied the well-known *Ansul* and *La Mer* requirements (e.g.) *Ansul* and *La Mer* (cf. *Extreme TM* at [31] and [44], a case somewhat different from the present on the facts in that evidence of use was given both by a trade mark agent and by a director of the undertaking concerned). While thin both as to substance and as to identification of source, the evidence in this case was not so hopeless that the Hearing Officer was not entitled to give it appropriate weight. It is one thing to say that another tribunal might reasonably have given the evidence much less weight. It is another to say that the Hearing Officer made an error of principle or was clearly wrong in giving it the weight he did.

32. Fourth, I do not accept the applicant's argument that *Silberquelle* Case-495/07 [2009] EUECJ C-495/07, [2009] ETMR 28 provides as a rigid requirement of proof of use in a specific reference market sufficient to justify the Hearing Officer disregarding this evidence. In [17] of the judgment in that case, the Court of Justice said:

“It follows from that concept of 'genuine use' that the protection that the mark confers and the consequences of registering it in terms of enforceability vis-a -vis third parties cannot continue to operate if the mark loses its commercial raison d'être, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings (*Ansul*, paragraph 37, and *Verein Radetzky-Orden*, paragraph 14).”

There was evidence here of use of the marks on DVDs which, in the absence of any suggestion that they were merely promotional items, would satisfy the *Silberquelle* requirements.

33. Fifth, it is said that the Hearing Officer was wrong in his approach to the descriptions of goods and services for which use was proved. However, the Hearing Officer took into account the guidance from *Thomson Holidays Ltd v. Norwegian Cruise Lines Ltd* [2003] RPC 32 and *Animal TM* [2004] FSR 19, in reaching his conclusion. There is no basis in the wording of the Proof of Use Regulations for adopting a fundamentally different approach to that which obtains in considering revocation for non use. The fact that others may have decided that a more limited specification of goods and services was warranted, even if so, is not enough to overturn his determination. Moreover, it is hard to see how the Hearing Officer should have limited the goods and services of which use was proven further, in the light of the use which he held to be established. It would not have been appropriate to limit the proven use for either the goods or services by reference, for example, to the subject matter of the DVDs. Having found there was use in relation to production of a film or video, concluding that there had been use in relation to film or video production was reasonable. I therefore do not consider that the Hearing Officer was constructing a particularly generous specification in paragraph 17 of the Decision, having regard to the proven use.

34. Finally, the argument of use is to some extent academic, given the Hearing Officer's other findings on similarity mark and sign and of goods and services based on the CTM for which use did not have to be proved.

Comparison in the light of proven use

35. In the light of the modest proof of use of the earlier marks, which had the effect of limiting the goods and services of relevance for the opposition, the Hearing Officer boiled the section 5(2)(b) analysis down to the following comparison, set out in paragraph 27 of the Decision (omitting details of the logos).

Class 40

Application [LOGO]:

Film development and reproduction of photographs; photographic processing; photographic retouching; printing.

Earlier marks

CTM 24422: Class 41: Production of films and videos.

UK 1450804: Class 41: Film and video production services; provision of film and video studio facilities.

CTM 3448032 [LOGO]: Class 9: Apparatus and instruments for use in the input, output, storage, reception, recording, retrieval, display, communication and transmission of images; computers and computer software; computer programs.

Class 41

Application [LOGO]:

Class 41: Photography; digital imaging services; film production; modelling for artists.

Earlier marks

CTM 24422 Class 41: Production of films and videos.

UK 1450804: Class 41: Film and video production services; provision of film and video studio facilities.

CTM 3448032 [LOGO]: Class 16: Photographs; pictures.

Class 42

Application [LOGO]

Class 42: Computer aided graphic design; graphic design services; computer services for the production of computer generated imagery; stock photography services, namely, leasing reproduction rights of photographs and transparencies to others.

Earlier marks

CTM 24422: Class 41 Production of films and videos.

UK 1450804: Class 41: Film and video production services; provision of film and video studio facilities.

CTM 3448032: Class 9: Apparatus and instruments for use in the input, output, storage, reception, recording, retrieval, display, communication and transmission of images. Computers and computer software; computer programs.

Class 16: Photographs; pictures.

Class 41: Production and presentation of films, videos, radio, television and Internet programmes; recording studio services; audio and video recording services; publishing services.

B. The s.5(2)(b) evaluation

36. The applicant contends that the Hearing Officer adopted the wrong approach in comparing the marks for the purpose of section 5(2)(b). The Hearing Officer considered the relevant factors in making the overall global assessment in paragraphs 28-38.

Similarity of marks

37. The applicant contends that an attentive average consumer would not see the Applicant's mark as the Opponent's mark with the word "rendering" added, as the Hearing Officer said in paragraph 26. It is also said that the Hearing Officer should have had greater regard to a decision of the OHIM Board of Appeal in Case R 735/2008-2 in which MIP Metro Group Intellectual Property GmbH & Co. KG unsuccessfully opposed CTM 3448032 which is relied on by the opponent as one of the earlier rights in this case. At the hearing, the argument was developed to contend more broadly that the differences between the logo marks should have been given more weight.

38. The Hearing Officer considered and compared the marks in paragraphs 23-26. He said:

23) I shall first consider the marks of the two parties. The applicant has filed a series of six marks which all comprise the words "REALWorld rendering" together with a device element of circles which could possibly be construed as a planet or as a button. The differences in the series are extremely marginal and I propose to treat the marks as one. The opponent is relying upon three marks. Two of the marks comprise of the words "REAL WORLD" and are registered although the UK mark has the word "World" disclaimed. The other also has the words "REAL WORLD" within a simple rectangle, with a simple circle device also within the rectangle as follows:



24) Although the opponent's third mark is slightly different to the two which have already been registered I do not consider the differences alter the outcome of the comparison I must undertake. The use of a simple rectangle and a simplistic device element which has no conceptual meaning would not be viewed by the average consumer as affecting the message of the mark. The devices cannot be ignored

completely but they are insignificant. I shall therefore treat all three of the opponent's marks as a single mark.

25) Both marks contain more than one word or element and are, therefore, composite marks. The *Medion* case acknowledges that the overall impression conveyed to the relevant public by a composite mark may, in certain circumstances, be dominated by one or more of its components. The words "real" and "world" are common words and have a well known meaning. They are often used together in the form "In the real world" implying a down to earth quality or pertaining to reality. The word "rendering" obviously derives from the word "render", and both words have a number of meanings amongst which is the "portrayal or depiction of something such as in a painting or drawing". The words "render" and "rendering" are relatively commonplace although I imagine that most people's experience with the word "rendering" would have been in relation to the finish applied to brickwork on the outside of houses. As a whole the term "real world rendering" can be taken to mean a depiction of an object as it would be seen in real life, that is, accurate in all its detail, just as in a photograph. To my mind neither of the devices used by either party is memorable or alters or adds to the meaning of the words. None of the device elements of either sides mark dominates. Both parties marks are dominated by the word elements.

26) Clearly, the applicant's mark consists of the whole of the opponent's mark with the word "rendering" added to the end, along with a device mark which I have already stated would be seen but largely discounted by the average consumer. The marks are therefore highly similar, visually and aurally. Conceptually, the only meaning that could be attached to either sides mark is in relation to the images (photographs or videos) that they are true to life.

39. Although there is something to be said for the applicant's points that (i) greater weight could have been given to the logo element and (ii) the mark would not necessarily be seen as "Real World" with the word "rendering" added but rather as a composite phrase, ultimately, I do not believe that there is adequate basis for overturning the Hearing Officer's decision on this ground, having regard to the *REEF* principles. The applicant has stated that the term rendering (and not "real world rendering") describes computer generation of an image from wire frame data in CGI. So, in the particular field, it is more likely that the word "rendering" would be seen as descriptive of the services in question, making it more likely that an average consumer would treat the elements "REAL WORLD" as having trade mark significance.

40. I am unpersuaded by the applicant's reliance on the decision of the Board of Appeal of OHIM in Case R 735/2008-2 (*REAL WORLD*). In that case, an earlier mark of a third party was

cited against CTM 3448032. The third party mark was for the word “REAL” alone in a stylized logo form. The Board of Appeal said at [30]:

It follows that the visual comparison of the marks leads to the conclusion that, overall, the marks are different. The earlier marks are in red lettering, set against a pink rectangular background, with a blue comma and hyphen at the end of the sign. That punctuation is somewhat unusual in a mark. The mark applied for is the word combination ‘REAL’ and ‘WORLD’, written as one word but with ‘REAL’ in slightly bolder print. ‘REALWORLD’ is encapsulated by a rectangular box and, joined to that box is another smaller box containing a black disk-like image (like a vinyl record), with a black hole in the middle. Although the marks overlap in the term ‘REAL’, such a coincidence does not outweigh all the other differences.

41. The Board held that the marks were not phonetically or conceptually similar. As to conceptual similarity, it said:

Similarly, ‘REALWORLD’ will be understood as referring to ‘actual human affairs or the planet’. As already pointed out, the relevant consumer will understand that ‘REAL’ serves to qualify ‘WORLD’.

42. That decision does not adversely affect the Hearing Officer’s conclusion in the present case where the dominant part of each of the marks is the composite term “REAL WORLD”. As noted above, in relation to certain services applied for in class 42, the term “rendering” is, at least partly descriptive, so that to consumers who understand it in that way, the composite phrase “REAL WORLD” is the only major distinctive element.

Similarity of goods/services

43. The Hearing Officer considered the similarity of goods and services, the issue of complementary goods and services and the similarity of the marks applied for with the earlier marks. He expressly considered the nature and uses of the goods and services, the trade channels through which they were purchased in a systematic way for each of the classes of services separately. He considered the right question in that he asked whether the goods or services were so closely connected to the services in question that the consumer may think that the same undertaking is responsible for both. Where the parties had made no detailed submissions, he provided his own judgment and although his observations about the groups of photographers and how they approached selection of developers were somewhat speculative, the conclusion he reached was sensible.

44. Specifically in relation to class 41, he held (as was inevitable) that the specifications were either similar or identical. As to class 42 he considered the question of the wide class of computer software and again reached a conclusion which did not err in principle.

Computer software/graphic design services

45. Although reasonable tribunals could differ as to whether computer software was similar to computer aided graphic design, the Decision was not unreasonable in this respect. I have greater reservations about the Decision in so far as it says that computer software could be similar to “graphic design services” simply because they are a sub-set of computer aided design services and could use computer software and computer programmes in the provision of such services. That takes the concept of complementary goods and services further than is merited on the authorities (see Case T-420/03 – *El Corte Ingles (BOOMERANG TV)* and cases there cited). Although the Hearing Officer was justified in considering that computer software was “indispensable or important” for such activity, to use the words of the Court of First Instance in that case, it does not seem to me to follow a service which uses such software is ipso facto similar to software. The Court of First Instance emphasized at [96] of its judgment that the concept involved customers thinking that the responsibility for the production of the goods or provision of the services “lies with the same undertaking”. In the case of computer software and services provided using that computer software, more needs to be proved to satisfy that requirement than merely indispensability for performing the service.

46. Nonetheless, the point is academic, because the Hearing Officer held, in my judgment correctly, that “computer services for the production of computer generated imagery” were similar to film production services of both the earlier CTM and the UK word trade marks. That case based on those marks as regards similarity of mark was stronger because of the absence of logo element.

47. Overall, therefore, I do not consider that sufficient grounds have been made out for overturning the Hearing Officer’s decision in this respect.

The average consumer and likelihood of confusion

48. The applicant's skeleton says that the global assessment was applied using too low a threshold and with insufficient regard to the *Lloyd* principles. That is too broad a way of putting the attack on the Hearing Officer's Decision.

49. In the grounds of appeal it is said that the Decision "fails adequately to characterize or take account of the average consumer or his level of attention in the comparison of both goods and signs and goods/services and falls into error by treating those comparisons entirely independently". It is said that he specifically failed to take account of the submissions of the applicant on this point. The opponent's response in its skeleton "...there is no reason to consider that the average consumer for the goods/services are especially well informed or circumspect".

50. In the *REAL WORLD* case at OHIM, the Board of Appeal considered that, for the purpose of that comparison, the relevant public's attention will be of an average level for Class 16 and 25 goods but "will be somewhat higher for the rather costly services in Class 41" (referring to the services in the opponent's CTM logo mark). I agree.

51. The Hearing Officer's Decision does not expressly deal with the characteristics of the average consumer for the services in issue. A complete failure to consider the characteristics of the average consumer of the services in question or the relevance to the question of confusion is capable of amounting to an error of principle which could justify revisiting the assessment, since that is fundamental to determining whether, in the light of the respective marks and the goods/services, there is a likelihood of confusion. However, I am not satisfied that the Hearing Officer failed to consider this issue.

52. First, it would be surprising if an experienced Hearing Officer had ignored one of the key elements of a s. 5(2)(b) evaluation, even though he did not expressly refer to it in the Decision. The Hearing Officer did make findings as to the likelihood of confusion for consumers of the various classes of services, carefully analyzing difference categories of photographic consumer (para.31). He referred to the average consumer specifically (see para. 29). It is hard to believe that he did not have the relevant characteristics of the average consumer for the relevant goods and services in mind when he reached his conclusion that, taking all of his analysis into account,

there was a likelihood of confusion in respect of the specific goods or services in the different classes.

53. Second, this is not a case in which the characteristics of the average consumer for the specific goods or services are as relevant to the issue of likelihood of confusion as in other contexts. If a person considers that services using the applicant's mark are connected with the opponent as a result of the common use of "REALWORLD", they are no less likely to do so, simply because they take more time to select the services or are more careful. It was therefore unnecessary for the Hearing Officer to say more about the issue than he did.

54. Third, although there were earlier submissions on the issue, these focused on the consumer for music recording studio services. The Hearing Officer held that use was not limited to these. On the other services, especially as regards film production, he had to make his own mind up.

55. While the Hearing Officer might have expressed himself more clearly and explicitly on this issue, I am not satisfied that he fell into error.

Class 42 services

56. At the hearing, the applicant's representative made it clear that the key services were those in class 42 and, in particular, "computer services for the production of computer generated imagery". I have therefore considered the case particularly from that perspective, including reviewing all of the evidence, submissions and argument before the Hearing Officer and on appeal to check the soundness of the overall conclusions specifically for these services.

57. The Hearing Officer took the view that these were services similar to film and video production. He took into account that the applicant had acknowledged that it works with film companies in this area and that computer generated images are an important part of modern film production.

58. As regards the comparison of marks, film and video production services are within the opponent's CTM for the logo form, which is, at least similar, to the applicant's mark sharing the key words "REAL WORLD". However, even if that mark is regarded as less similar because of the logo elements, as the applicant contends, those are also the services in respect of which the

Hearing Officer was entitled to find there had been use of the pure word mark “REAL WORLD” by the opponent (see above). As regards the core services of interest to the applicant (CGI rendering which is used in films), the case therefore comes down to one of an earlier word mark registered for similar services (film and video production), where the earlier word mark has been registered and used for the dominant and the most prominent and distinctive component of the mark applied for. In those circumstances, the Hearing Officer was entitled to reach the conclusion that there would be a likelihood of confusion between the marks.

59. For all those reasons, there is insufficient basis in the attractively presented arguments for overturning the Hearing Officer’s determination in the light of the *REEF* and *BUD* principles. The evidence of use (weak as it was), the nature of the services and the nature of the marks meant that the Hearing Officer’s determination was within the range of reasonable assessments.

Overall conclusion

60. For those reasons, the appeal will be dismissed.

Costs

61. The grounds of appeal criticise the Hearing Officer’s award of costs on the basis that (i) there was no applicant’s evidence, (ii) there was an interlocutory extension of time and (iii) the opposition had failed on s.5(4) grounds (and some s. 5(2)(b) grounds) and that the opponent was therefore not “largely successful”. I have considered the sum awarded under the various heads and cannot fault the Hearing Officer’s assessment given the fact that the opponent succeeded in relation to key grounds. The applicant challenged the use of the marks and the opponent had to prove this in any event. That is more than 1/3 of the costs below. The sum in respect of written submissions was modest (£100). I do not disturb the award.

62. The opponent filed written submissions on the appeal. They were not lengthy, despite the multiple grounds of appeal advanced by the applicant. I consider that a modest award of £150 in respect of these would be appropriate.

63. Accordingly, the applicants should pay the opponents a total of £1400 in respect of the proceedings before the Hearing Officer and this appeal.

DANIEL ALEXANDER QC

Appointed Person

24 October 2011

Representation

Barbara Cookson, Filemot Technology Law Ltd for the applicant/appellant.

Keltie, for the opponent.