

O-113-16

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3055232
BY JAMES CLEMENTS
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 17:**

AIRFLEX

AND

**OPPOSITION THERETO (NO. 403294) BY
AIREX AG**

Background and pleadings

1. These opposition proceedings concern whether the trade mark **AIRFLEX** should be registered for the following goods in class 17:

Acoustical insulation for buildings; Insulation for building purposes; Insulation for air conditioners; Insulation for aircraft; Insulation for underground pipes and tanks; Insulation jackets for industrial pipes; Metal foil for building insulation; Pipe insulation; Acoustic board for ceilings [insulation]; Acoustic screens for insulation; Acoustic sheets for insulation; Insulating materials for insulation against heat; Insulating materials for insulation against sound; Insulation (metal foil for-); Insulation for pipes; Insulation material for roofing; Insulation material for use in the ship building industry; Insulation sheets.

2. The applicant is Mr James Clements, who applied for the mark on 12 May 2014. The mark was subsequently published for opposition purposes on 22 August 2014.

3. The opponent is Airex AG. Its opposition is based on section 5(2)(b) of the Trade Marks Act 1994 ("the Act"). The opponent relies on earlier UK registration no. 727671 which consists of the word **AIREX** and which was filed on 5 March 1954. The mark stands registered for the following goods in class 17:

Non-mouldable plastics and articles made therefrom all being goods included in Class 17.

4. In opposition proceedings, earlier marks which were registered five years or more before the date on which the applied for mark was published may only be relied upon to the extent that they have been used. This is provided for by section 6A of the Act. The opponent accepts that the proof of use provisions are applicable to its earlier mark. To that extent, the opponent made a statement of use claiming that it has used its mark in relation to all of the goods for which it is registered. The opponent's primary claims are that:

- i) The applicant's mark is visually and phonetically highly similar to the opponent's mark, differing by two additional letters which are in the middle of the marks and, therefore, lost, especially in pronunciation. The respective marks have only two syllables, the first of which is identical (AIR), and the second syllables FLEX and EX, are highly similar. The marks are therefore very similar overall.
- ii) That the goods are self-evidently identical or, alternatively, highly similar. The goods of the earlier mark include the applicant's goods which are a range of insulation products in class 17. The goods have the same intended purpose, method of use and are in competition or, in the alternative, are complementary to each other. The nature of the users and the channels of trade are also identical.
- iii) The opponent's earlier mark benefits from an enhanced level of distinctive character arising both inherently and through the use made of it.

5. The applicant filed a counterstatement denying the ground of opposition. The applicant put the opponent to proof of use for the purposes of the proof of use provisions. Genuine use must therefore be established by the opponent in the relevant period of 23 August 2009 to 22 August 2014. The primary aspects of the applicant's defence are:

- i) "Confusing similarity" with the mark AIREX is denied.
- ii) It is denied that the goods are identical; indeed, the applicant considers the goods to be completely different.
- iii) There is no scope for genuine confusion.

6. The applicant is self-represented. The opponent is represented by Gill Jennings & Every LLP. Both sides filed evidence. Neither side asked for a hearing. The opponent filed written submission in lieu of a hearing, the applicant did not.

The evidence

The opponent's primary evidence

7. This comes in the form of a joint witness statement from Mr Philipp Angst and Mr Roman Gatzi, who are the opponent's Director Product Management Foam and Global Product Manager Solutions Engineering (I assume respectively). The following emerges from the evidence:

- The opponent is a Swiss company formed in 1956. It is claimed that the mark AIREX has been used for nearly 60 years.
- There is a large volume of evidence supporting use of the mark including, invoices, datasheets, marketing materials etc.
- The primary AIREX product is a closed cell rigid or semi rigid foam product which can be used for a variety of purposes. Purposes stated by the witnesses include use in the hull of a boat, the wing of an aeroplane, the rotor blade of a wind turbine, bridges, the roof of a building, a trade fair booth, a ski, a yoga mat and a buoyancy aid. It is stated that the fields in which the product is used include architecture, transportation and exercise equipment. The exhibits to the witness statement include supporting examples of the various uses to which the product has been put.
- The witnesses state that one of the properties of the product is that it offers good insulation.
- Sales figures are not provided (for reasons of commercial sensitivity), but UK sales in square metres of the material sold is provided. The witnesses estimate that the opponent's market share is at least 25% in the field of semi-rigid or rigid foams, what they describe as "structural foams".

- Invoices are provided from within the relevant period to UK businesses. The products invoiced are identified as AIREX (followed by a model number to signify the exact version of the structural foam); the product is sold by the sheet.
- A list of UK distributors (at least 9) is provided.
- During the relevant period the opponent attended trade fairs promoting AIREX products, including three in the UK.

The applicant's primary evidence

8. This comes in the form of a witness statement from Mr James Clements, the applicant for the subject trade mark. The following emerges from his evidence:

- The AIRFLEX product is a reflective thermal insulation product. It is used for insulating buildings and is made of aluminium foil.
- Various leaflets, products brochures and technical specifications are provided showing the mark, the product and its various applications.
- The AIRFLEX product appears to be sold by the roll.
- Mr Clements refers to various changes of ownership, culminating in him buying the rights to the name AIRFLEX in October 2012 from KDB UK.
- Mr Clements states that the AIRFLEX product has been distributed throughout the UK to all leading building merchants for many years. He considers it a well know brand name.
- It is stated that the AIREX and AIRFLEX products have no resemblance to each other. He adds that AIREX is not recognised as an insulation product.
- Mr Clements is not aware of AIREX products being promoted at trade fairs relating to the insulation trade.
- Mr Clements is not aware of any confusion ever having arisen.

The opponent's reply evidence

9. This, again, comes in the form of a joint witness statement from Mr Philipp Angst and Mr Roman Gatzl. The main purpose of the evidence is to show that the AIREX product does have insulating properties. The exhibits provided include:

- Exhibit PARG16: Product and leaflet data sheets which list, amongst other things "sound and thermal insulation" as a characteristic of the product.

- Exhibit PARG17: A 2013 press release relating to an electronic taxi, which explain that AIREX was chosen as its “sandwich core material” so as to reduce the taxi’s weight and improve insulation.
- Exhibit PARG18: A press release issued by a company called Romay which used AIREX as a core sandwich material below the floor of a shower which “offers additional insulation to further improve the comfort of a warm shower floor”.
- Exhibit PARG19: A further data sheet showing the application of AIREX in a heavy duty vehicle, with reference being made, amongst other things, to “high thermal and acoustical insulation” as a benefit.
- Exhibit PARG20: Further data sheets referring to the insulation characteristics of the product which are said to have been given out during trade fairs such as the Composites Engineering Show in Birmingham, and, also, which would have been emailed to people and would have been available on the opponent’s website.
- Exhibit PARG21: More data sheets describing AIREX T90 (a fire resistant structural foam) showing the various applications it can be put to including in trams, trains, roofs (the example shows a lightweight roof on a Swiss business villa), airport gangways and catering trolleys. Again, the insulating properties are mentioned.
- Exhibit PARG22: Three scientific reports, the first (from the European Space Agency) is from July 2000 which identifies (on page 25 of the report) AIREX (and two other products) as a material which may assist with the insulation of the liquid hydrogen tanks of reusable launchers. The second report is from the National Space Agency of Japan and is also from 2000; it identifies AIREX as a potential insulator of cryogenic propellant tanks. The third report is from NASA and is dated from 2005; the report contains references to AIREX sandwich sheets having been tested as insulators of propellant tanks.

The proof of use provisions

10. The use conditions are set out in section 6A of the Act as follows:

“(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered [.....]”

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

11. Section 100 is also relevant, it reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

12. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

13. The evidence filed by the opponent is compelling. I have no doubt that the opponent has made genuine use of its AIREX mark in the UK during the relevant period. The more difficult question is what should its resulting specification be. In relation to coming up with a fair specification to reflect the use made, I note that Mr Geoffrey Hobbs Q.C. (sitting as the Appointed Person), when deciding case *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* (BL O/345/10), stated:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

14. More recently, in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered; he said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered.”

15. The opponent's products are structural foams. They are sold by the sheet. However, its specification reads:

“Non-mouldable plastics and articles made therefrom all being goods included in Class 17.”

16. Although the specification does not mention foam at all, it is clear from the evidence filed that the foam in question is made of a plastic polymer. Therefore, I am prepared to accept that the opponent's structural foam is an article made from non-mouldable plastic, or, indeed, could even be considered to be the non-mouldable plastic itself. Whilst the evidence shows that articles are made from the structural foam sheets, or more accurately are used as part of the construction of certain articles, the mark is not used as a badge of trade origin for such goods, so one cannot contemplate a specification that includes such items. In any event, the items so made would not fall in class 17 so the point is academic.

17. In terms of a fair specification, given the limited nature of the goods sold under the mark, the specification as filed is unduly wide. Bearing the nature of the goods in mind, together with the case-law mentioned above, I consider a fair specification to be:

“Structural foams, being non-mouldable plastics or articles made therefrom all being goods included in Class 17”

18. I have not felt it necessary to identify that the foam is sold by the sheet. This would be pernickety. Given the above, it is the structural foam which really represents the goods, the rest of the specification merely clarifies that they fall within the specification as filed. I note that there is a debate in the evidence as to whether the opponent's goods are for insulating purposes. I will come back to this point later, but for the time being it is not necessary to record this in the specification either way. The purpose of the fair specification is to set the parameters of the goods with reference to how they would ordinarily be described. This is what I have done above.

Section 5(2)(b)

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

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

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

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

20. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-

425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods

21. When making a comparison, all relevant factors relating to the goods in issue should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

22. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(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. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

23. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06 it was stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte

Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

24. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in *Boston* is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to *Boston*.”

25. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in 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 the trade”¹ and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning². I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* [2012] EWHC 3158 where he stated:

“..... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of “dessert sauce” did not include jam, or because the ordinary and natural description of jam was not “a dessert sauce”. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

26. The opponent’s specification reads:

“Acoustical insulation for buildings; Insulation for building purposes; Insulation for air conditioners; Insulation for aircraft; Insulation for underground pipes and tanks; Insulation jackets for industrial pipes; Metal foil for building insulation; Pipe insulation; Acoustic board for ceilings [insulation]; Acoustic screens for insulation; Acoustic sheets for insulation; Insulating materials for

¹ See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

² See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

insulation against heat; Insulating materials for insulation against sound; Insulation (metal foil for-); Insulation for pipes; Insulation material for roofing; Insulation material for use in the ship building industry; Insulation sheets.”

27. It is important to bear in mind that having settled on a fair specification for the earlier mark as I set out earlier, it is that specification that must be compared to the applied for goods. Nevertheless, the evidence does assist to show that structural foam can be used in a wide variety of applications. The evidence shows that it can be used in building installations. In addition to having characteristics such as lightness, strength and durability, the evidence also shows that one of the characteristics of structural foam is that of insulation benefits. In any event, the normal reading of the term would likely lend itself to such an interpretation, foam being a well known insulating material. It does not matter whether the opponent has specifically sold its structural foam as an insulator *per se*. I must consider the term notionally. Having done so, I consider that structural foam could well be sold on the basis of being an insulator, and, therefore, the various insulation products covered by the applied for mark may be considered as identical (even if the exact products the parties sell are not). Even if this were not so, a structural foam product which could, for example, be used in the erection of buildings and which has insulating properties, must be regarded as being highly similar to the applicant’s goods. They could be similar in nature (insulation products could be foam based), both have a degree of similarity in intended purpose (either being partly or fully for insulation) and the methods of use may also be similar (for example, insulating panels and sheets would be used in a similar way to structural foam). The goods could also be sold through the same trade channels such as builders’ merchants.

Average consumer and the purchasing act

28. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

29. Insulation and insulation products could be bought by members of the general public or by professional installers such as builders. Although structural foam may have a wider scope of potential user, it could also be bought by members of the public (although perhaps to a lesser extent than insulation) or by professional installers such as builders. Regardless of which of these users are considered, I

believe that the goods will be purchased with a degree of care and attention slightly higher than the norm. I come to this view because the goods are unlikely to be low cost, particularly when a whole house/installation is being insulated or structural foam put to use. Furthermore, the products will need to be considered in terms of their fitness for purpose, relevant building standards, exact properties etc. I note that the opponent accepts that the goods are “not everyday consumables bought on a whim” and that the average consumer will pay an “average to above average level of attention”. The goods may be selected/viewed in retail stores, builders’ merchants, websites, brochures etc. Whilst this suggests a process which is more visual than aural, the aural impact will not be ignored because the goods may be subject to aural request in builders’ merchants etc., or discussed with sales advisors.

Comparison of marks

30. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

Applicant’s mark	Opponent’s mark
AIRFLEX	AIREX

32. In terms of the overall impression of the AIRFLEX mark, I think it clear that the mark will be perceived as a combination of the words AIR and FLEX. In my view, neither of those words dominate the other, both marking an equal contribution to the overall impression.

33. In terms of the overall impression of the AIREX mark, this has the look and feel of an invented word, the whole of which comprises its overall impression.

34. Conceptually speaking, AIREX as a whole has no meaning. It is an invented word, although, I think it likely that the first part of the mark will evoke the word AIR.

AIRFLEX, whilst not having a known meaning as a whole, is evocative of something which contains air and which flexes. Whilst both marks make reference to, or are evocative of, AIR, the addition of the concept of flexibility in the applicant's mark creates a difference. The opponent submits that a conceptual comparison is not relevant because neither mark has a concrete meaning. I do not accept this. The purpose of the conceptual comparison is to focus on the parts of the marks that the average consumer will recognise and form conceptual hooks which, in turn, will assist in the recall of the marks.

35. Visually, both marks are reasonably short, but one has seven letters as opposed to five which creates a difference in length. I accept the opponent's submission³ that the average consumer will not usually appreciate the exact number of letters in a mark, but the impact of the actual number of letters does in my view create a noticeable difference in length. However, there is no getting away from the fact that there are similarities on the basis of the sharing of the first three letters (AIR-) and last two letters (-EX). The opponent submits that the two additional letters of the applicant's mark (-FL-) are in the middle and may be lost. I think this is overplaying the point. The letters FL are clearly there and in the mark at issue here they are not lost. The opponent also makes reference to the rule of thumb that the first component of a mark usually catches the eye more and that endings may also play a role. I have taken this into account, but balancing the points of similarity and difference, I conclude that there is a low to moderate level of visual similarity.

36. Aurally, both marks have two syllables AIR-FLEX and AIR-EX. The first syllables are the same and there is some similarity in the second syllable. There is, though, a difference due to the longer and different beginning of the articulation of FLEX and EX. The opponent makes the same point about the FL element having the capacity to be lost or blurred in the articulation of the applicant's mark. I have taken this into account - balancing the points of similarity and difference, I conclude that there is a medium degree of aural similarity.

Distinctive character of the earlier mark

37. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

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

³ The submission was based on the General Court's decision in *Kaul/OHIM – Bayer* (T-402-07).

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

38. Although its beginning is evocative of the word AIR, as a whole the mark AIREX is an invented word. I consider that the mark should be regarded as being reasonably high in inherent distinctive character. The use of the mark has been considered. The witnesses have made an unchallenged statement that AIREX has a 25% share of the structural foam market. I see no reason on the basis of the evidence to doubt the veracity of this statement. This means that the distinctiveness of the mark is enhanced, so as to become high (not just reasonably high) in distinctive character.

Likelihood of confusion

39. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

40. In his evidence the applicant states that there has been no confusion between the marks thus far. Whilst an absence of confusion in the marketplace can sometimes be taken as a good indication that there is no likelihood of confusion, it is necessary to exercise some caution in relation to this because often an absence of confusion is indicative of little⁴. Such caution is applicable here because the parties appear to target different markets and, so, the actual use does not mirror the notional comparisons that I must make. In its counterstatement the applicant asked the opponent to prove confusion. The opponent is under no greater obligation than it has already met - it is the job of the tribunal to decide if there is a likelihood of confusion based on the facts of the case.

41. Despite the goods being identical (or highly similar) and that the earlier mark is highly distinctive, my decision is that there is no likelihood of confusion. The differences that exist between the marks are sufficient, in my view, to avoid confusion. I have taken into account that marks may be imperfectly recalled, but I consider that both the AIR and FLEX concepts of the applied for mark will be observed, remembered and recalled and, therefore, it is not likely that it will be

⁴ For example, In *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 Millett L.J. stated that: “Absence of evidence of actual confusion is rarely significant, especially in a trademark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

misremembered or misrecalled as AIREX, which is an invented word. I, therefore, reject the opponent's submission that AIREX could be misrecalled as AIRFLEX which it submitted could occur on account of the eye seeing what it expects to see⁵. Neither will confusion operate the other way around, for similar reasons. Furthermore, it is not as though the products in question are casual "grab and go" products where mistaking one mark for another may more easily occur. The marks will not be mistaken for one another and, therefore, there is no likelihood of direct confusion.

42. I have also taken into account whether indirect confusion will arise. The difference between direct and indirect confusion was explained by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

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

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

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

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

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

43. Of course, I bear in mind that the three categories of indirect confusion identified by Mr Purvis QC are just illustrative – he stated that indirect confusion "tends" to fall in one of them. Having considered the matter, I see no reason why the similarities that exist between the marks will be put down to the sharing of (or having a related) economic origin. The word AIR is hardly the most distinctive of words and the

⁵ The opponent referred to the decision of Arnold J in *OCH-Ziff Management Europe Ltd v OCH Capital Ltd* [2010] EWHC 2599 (CH).

similarity in the ending of the marks is the result of the use of different words (FLEX in the applicant's mark, EX in the opponent's). There is no likelihood of indirect confusion.

Conclusion

44. The opposition is rejected and, subject to appeal, the applicant's mark may proceed to registration.

Costs

45. The applicant has succeeded and is entitled to a contribution towards his costs. I must bear in mind, though, that the applicant was not legally represented so would not have incurred legal fees. I have therefore reflected this in the costs assessment I set out below:

Preparing a counterstatement and considering the other side's statement - £150

Filing and considering evidence - £350

Total - £500

46. I therefore order Airex AG to pay Mr James Clements the sum of £500. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12TH day of January 2016

**Oliver Morris
For the Registrar,
The Comptroller-General**