

BL O/120/19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 3273848

BY

ZENERGI LIMITED

TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 35 & 42:

ZENERGI

AND

OPPOSITION THERETO (NO. 412133)

BY

EG UTILITY A/S

Background and pleadings

1. Zenergi Limited (the applicant) applied to register the trade mark:

ZENERGI

in the UK on 29 November 2017. It was accepted and published in the Trade Marks Journal on 05 January 2018, in respect of the following services:

Class 35: Energy and utility price comparison services; tracking and monitoring of energy and utilities consumption for others; auditing and validation of energy invoices and utility rates for others; arranging of contracts for the provision of energy and utilities services; negotiation and review of contracts relating to the purchase of energy and utilities services; advisory and consultancy services in respect of all the aforementioned services.

Class 42: Energy auditing; advisory services relating to energy efficiency and renewable energy; consultancy in the field of energy saving and renewable energy; recording data in relation to energy efficiency in buildings; recoding data in relation to energy consumption in buildings; advisory services relating to the use of energy and renewable energy; technological analysis relating to energy, renewable energy and power needs of others; advisory and consultancy services in respect of all the aforementioned services.

2. EG Utility A/S (the opponent) opposes all of the services in the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act). The opposition is based on an earlier European Union Trade Mark (EUTM), namely:

EUTM 11239043, filed on 04 October 2012 and registered on 22 February 2013, for the mark:

EG ZYNERGY

In respect of the following goods and services:

Class 09: Computer programmes and software for the energy sector.

Class 38: Transmission of messages over the Internet in the form of data to others provided via electronic mail and via computer networks, wireless networks and global communication networks.

Class 42: Design, development, installation, maintenance and updating of computer programs and software for the energy sector, technical consultancy and information about computer programs and software for the energy sector.

3. The opponent claims that the marks are similar, and the goods and services are identical and/or similar, as such there is a likelihood of confusion which includes a likelihood of association.
4. In its counterstatement, the applicant wholly refutes the assertions of the opponent and states:
 - The marks are not similar. The application is a single word whilst the earlier mark is made up of two distinct textual elements.
 - The marks are visually and aurally different and conceptually dissimilar.
 - Both marks are comprised of invented terms, but the word ZEN is commonly understood and ZYNERGY is likely to be perceived as the word 'Synergy' which has no link to ZEN.
 - The element 'EG' at the start of the earlier mark will be perceived first and consumers will consider the mark to be an 'EG' brand, as such the ZYNERGY element may not even be considered at all.
 - Duplication of the letter 'Y' in the earlier mark is a distinguishing feature.
 - The goods and services are different and cannot be said to be complementary, they do not share nature, channels of trade or purpose,
 - Consequently, there can be no likelihood of confusion.
5. Neither party filed evidence. The opponent provided written submissions which will not be summarised here, but will be referred to later in this decision if necessary

6. No hearing was requested and so this decision is taken following careful consideration of the papers.
7. Throughout the proceedings the applicant has been represented by Shoosmiths LLP. The opponent has been represented by Osbourne Clarke LLP.

Decision

Section 5(2)(b) of the Act

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

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

(a) ...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

9. The following principles are gleaned from the decisions of the Court of Justice of the European Union (the CJEU) in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

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

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

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

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

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

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

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

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

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

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

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

Comparison of goods and services

10. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“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”.

11. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity 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. 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.

12. In *Gérard Meric v Office for Harmonisation in the Internal Market ('Meric')*, Case T- 133/05, the General Court stated that:

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

13. The parties' respective specifications are:

Earlier mark	Application
<p>Class 09: Computer programmes and software for the energy sector.</p> <p>Class 38: Transmission of messages over the Internet in the form of data to others provided via electronic mail and via computer networks, wireless networks and global communication networks.</p> <p>Class 42: Design, development, installation, maintenance and updating of computer programs and software for the energy sector,</p>	<p>Class 35: Energy and utility price comparison services; tracking and monitoring of energy and utilities consumption for others; auditing and validation of energy invoices and utility rates for others; arranging of contracts for the provision of energy and utilities services; negotiation and review of contracts relating to the purchase of energy and utilities services; advisory and consultancy services in respect of all the aforementioned services.</p> <p>Class 42: Energy auditing; advisory</p>

<p>technical consultancy and information about computer programs and software for the energy sector.</p>	<p>services relating to energy efficiency and renewable energy; consultancy in the field of energy saving and renewable energy; recording data in relation to energy efficiency in buildings; recording data in relation to energy consumption in buildings; advisory services relating to the use of energy and renewable energy; technological analysis relating to energy, renewable energy and power needs of others; advisory and consultancy services in respect of all the aforementioned services.</p>
--	--

14. The applied for services in classes 35 and 42 all relate to energy, energy efficiency and renewable energy. These services focus specifically in the areas of consultancy, advisory, technological analysis and information services in respect of energy and utility price comparisons; in the monitoring, tracking and auditing of energy, and in the arranging, negotiating and reviewing of contracts in respect of energy supply.
15. The earlier class 9 'computer programmes and software for the energy sector' are software products intended to be used by a professional consumer engaged in the energy sector. These goods may also be available for use by the general public, possibly in the form of an 'app' that can be used via a mobile telephone or personal computer, to control, regulate or monitor energy use, and/or assist in the supply of energy to personal residences and other types of property.
16. The purpose of the earlier 'computer programmes and software for the energy sector' is not however, limited to any particular functionality or role and, as such, must be considered to encompass any and all possible intended purposes within the broad scope of the energy sector, for example, the earlier goods may be computer software for the energy sector, all for use in the monitoring, auditing, tracking or comparison of energy supply/suppliers.

17. Consequently, these goods may share purpose, end-user and channels of trade with the applied for services in classes 35 and 42. The provision of the applied for services to both the professional and general public consumer is likely to go hand in hand with software products that allow these services to be provided remotely or electronically, rather than by the more traditional methods that require face to face interaction and the use of paper resources. For example, the comparison and tracking services in the later class 35 specification will very likely use computer technology to ensure that the information being provided to consumers of those services is up to date and correct. The same can be said for e.g energy auditing services in the later class 42 specification. As the nature of the earlier goods is specifically focussed on the energy sector, it is likely that some similarity between those goods and the applied for services will arise. The earlier goods may also be seen to be complementary to all of the applied for services, as computer software and programmes will likely be an essential resource in the provision of those services.

18. The earlier goods are therefore considered to be similar to a low degree to all of the applied for services in classes 35 and 42.

19. The earlier services 'Design, development, installation, maintenance and updating of computer programs and software for the energy sector' in class 42, are focussed on the design, development, maintenance, installation and updating of the computer programs and software that are covered under the earlier class 09, i.e. software and programs specifically for the energy sector. Whilst the link between the earlier goods and these services is clear, I do not find the same link in terms of similarity between these earlier services in class 42 and any of the applied for services. They share a connection to the energy sector, but that, in and of itself is not sufficient to find similarity. Whilst the earlier goods can be seen to be necessary and complementary in the provision of the later services, the earlier services are technical in nature and do not share intended purpose, end-users, channels of trade and cannot be said to be in competition with, or complementary to, the later services. These earlier services are necessary to produce the software and programmes for the energy sector. They do not play a direct role in the energy sector in the way that the goods

do, they are purely technical and serve to create and maintain the software programmes themselves. Therefore, I find the earlier services 'Design, development, installation, maintenance and updating of computer programs and software for the energy sector' in class 42, to be dissimilar to all of the applied for services.

20. The earlier services in class 42 also cover 'technical consultancy and information about computer programs and software for the energy sector'. I find there to be a low degree of similarity between these earlier services and the applied for 'consultancy in the field of energy saving and renewable energy', as these consultancy services all relate to the energy sector and may therefore share nature, purpose, channels of trade and end user.

21. The earlier services in class 38 share no connection with the applied for services. These earlier services are technical, specialist services involved in the transmission of information. Whilst the applied for services are engaged in producing and providing information for third parties, the method of distribution or transmission of that information is not a part of the applicant's services. The nature, intended purpose, end use/user and channels of trade all differ. These services are found to be dissimilar.

Average consumer and the purchasing act

22. 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*.

23. 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.”

24. To my mind, the average consumer of the goods and services at issue will be both the general-public, with an interest in obtaining the best deal possible with respect to the supplier of energy into their homes, and a professional consumer engaged in the energy sector business generally. Selection of these goods and services is likely to be primarily visual, involving inspection of products in retail outlets or online via websites and through advertisements in traditional print form or presented electronically and/or online. However, I do not discount that there may be an aural component to the selection of both the goods and the services. The level of attention paid will vary but the average consumer is likely to take reasonable care to ensure that they are choosing the best option of energy supply for them. Consequently, the goods and services are all likely to be purchased with at least a medium degree of attention.

Comparison of marks

25. 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.”

26. 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.

27. The respective trade marks are shown below:

Earlier mark	Contested trade mark
EG ZYNERGY	ZENERGI

28. The earlier mark is comprised of two verbal elements ‘EG’ and ‘ZYNERGY’ presented in black capital lettering and standard font. Although the word ‘ZYNERGY’ forms the largest part of the mark, as both elements are independently distinctive, they make a roughly equal contribution to the mark and, as such, the overall impression of the mark lies in its totality.

29. The contested trade mark is comprised of the single word ‘ZENERGI’, which is also presented in black capital lettering and standard font. Consequently, the overall impression of the applied for mark lies in that single element.

Visual similarity

30. Visually, the respective marks are similar inasmuch as they share a letter ‘Z’ and the letter string ‘NERG’ within the body of the words ‘ZYNERGY’ and ‘ZENERGI’. The marks differ in the letters ‘EG’ of the earlier mark, which have no counterpart in the later mark, and in the fact that the earlier mark clearly comprises two distinct elements as opposed to a single word making up the later mark. The marks also

differ visually in the letter 'Y' which appears in the earlier mark twice but is not present in the later mark, and in the last letter of the later mark, a letter 'I', which has no counterpart in the earlier mark. In spite of the element 'EG' present in the earlier mark, due to the shared first letter 'Z' and the letter string 'NERG' within the words 'ZYNERGY' and 'ZENERGI', these marks are considered to be visually similar to a medium degree.

Aural similarity

31. Aurally, the earlier mark 'EG ZYNERGY' will be enunciated in five syllables as */EE/GEE/ZIN/ERR/GEE/*. The contested mark is comprised of the single word 'ZENERGI' which will be enunciated as */ZEN/ERR/GEE/*. As the words 'ZYNERGY' and 'ZENERGI' will be articulated in an almost identical manner, these marks are found to be aurally similar to medium degree, despite the fact that the earlier mark begins with the 'EG' element.

Conceptual similarity

32. The element 'EG' in the earlier mark is an arbitrary two letter combination that has no obvious meaning at all, and has no clear link or association to the goods and services at issue. The other element in the earlier mark, 'ZYNERGY' is an invented term which has no meaning. It is possible that due to the aural impression in that term, the average English speaker may perceive a connection to the word 'Synergy' which relates to the notion of two or more entities working together and becoming more successful than if they were to work separately.

33. The contested mark 'ZENERGI' is an invented word with no meaning or link to the goods and services to hand. The first part of that mark, 'ZEN', may be perceived by the relevant public as a reference to the form of Buddhist religion that is focussed on meditation. It is also possible that the relevant public might perceive, due to the aural impression in the word, a suggestion or connection to the concept of energy. When enunciated, the word 'ZENERGI' sounds very similar to the word 'Energy'.

34. It is equally likely however, that the average consumer will perceive the words 'ZYNERGY' and 'ZENERGI' as purely invented words with no conceptual identity at all. In that instance since the marks have no meaning, a conceptual comparison is not possible and the position is neutral.

35. Where the marks at issue do generate the conceptual impressions set out above, in the minds of the relevant public, they do not share a conceptual message, therefore there can be no conceptual similarities between the marks to hand.

Distinctive character of the earlier trade mark

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

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

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

37. The opponent has made no claim that its earlier mark has acquired an enhanced degree of distinctive character. I must therefore assess the mark purely on its inherent distinctive character.

38. In *Kurt Geiger v A-List Corporate Limited*, BL O/075/13, Mr Iain Purvis Q.C., sitting as the Appointed Person, observed that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything, it will reduce it."

39. The earlier mark is comprised of two elements, 'EG' and 'ZYNERGY' both of which have no obvious meaning or association within the context of the goods and services at issue. As such, the earlier mark, when considered in its totality, can be said to be inherently distinctive to a higher than normal degree.

Likelihood of Confusion

40. 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.

41. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related).
42. The marks have been found to be visually and aurally similar to a medium degree. Conceptually I have found that either a comparison is not possible and the position is neutral or, if the marks do create the conceptual impressions outlined above, they are not similar.
43. The goods and services at issue have been found to be similar to a low degree or dissimilar.
44. The earlier mark has been found to be inherently distinctive to a higher than normal degree due to the combination of two distinctive elements.
45. Taking all of the aforesaid into account, I am satisfied that direct confusion will not occur i.e. the relevant public will not mistake the earlier mark for the applied for mark, or vice-versa. I come to this conclusion because I do not consider the average consumer will overlook the additional element 'EG' present in the earlier mark which has no counterpart in the contested mark. Additionally, the differences between ZYNERGY and ZENERGI further lessen the likelihood of direct confusion.
46. I must therefore now go on to consider the matter in respect of indirect confusion.
47. Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 noted that:

“16. ...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).”

48. These examples are not exhaustive, but provide helpful focus. I also keep in mind the guidance provided by Mr James Mellor Q.C., as the appointed person, in *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, where he stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

49. The opponent has claimed in submissions, that whilst the element ‘EG’ in its earlier mark is distinctive in its own right, it “*plays a secondary role to the dominant component ‘ZYNERGY’ which, although forming the second element in the mark, will draw the consumers eye as it starts with a ‘Z’ which is unusual and is three times longer than the first element ‘EG’*”.

50. The applicant has stated in its counterstatement, that “*due to the distinctive element ‘EG’ contained within the opponent’s mark, it is conceivable that consumers will simply refer to the Opponent’s mark as the “EG brand”, without mentioning the “ZYNERGY” element*”.

51. In my opinion, the earlier mark is comprised of two separate and equally distinctive elements, ‘EG’ and ‘ZYNERGY’, which form the totality of a mark that has been found to be inherently distinctive to a higher than average degree. In the applicant’s counterstatement and in the opponent’s submissions, both parties appear to accept that the two elements in the earlier mark can be said to operate independently as distinctive elements in that mark.

52. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. considered the impact of the CJEU’s judgment in *Bimbo*, Case C-591/12P, on the court’s earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

53. With regard to the second point made by Arnold J above, neither element in the earlier mark has a meaning, both are invented or arbitrary terms and as such, do not create, in combination, a unitary sign or neologism that could be perceived to carry any meaning in its own right.

54. I am also reminded of the comments made by Arnold J in *Aveda Corporation v Dabur India Limited*¹:

“I think there can be little doubt that the average consumer who was familiar with AVEDA beauty products would be likely to be confused by the use of DABUR UVEDA in relation to identical goods. In particular, there would be a strong likelihood that the average consumer would think that it indicated some connection between DABUR and AVEDA. In my judgment it makes little difference that the second word in the composite mark is UVEDA rather than AVEDA. As the hearing officer rightly accepted, UVEDA is both visually and aurally very close to AVEDA. The human eye has a well-known tendency to see what it expects to see and the human ear to hear what it expects to hear.

¹ [2013] EWHC 589 (Ch)

Thus it is likely that some consumers would misread or mishear UVEDA as AVEDA”

55. In this respect, I find that the two terms ‘ZYNERGY’ and ZENERGI’ are also so similar visually and aurally that, for those goods found to be similar to the applied for services, these terms would be confused by the average consumer, even paying a reasonable degree of attention during the selection process. I do not believe that the initial element ‘EG’ in the earlier mark would be overlooked or dismissed by the average consumer, but would instead be perceived to be a house mark attached to the equally distinctive term ‘ZYNERGY’. It is worth reflecting on the fact that the average consumer is rarely faced with both marks at the same time but must generally rely on imperfect recollection.

57. I find that the average consumer would therefore be indirectly confused when faced with one of these marks, having previously been exposed to the other.

Conclusion

58. The opposition is successful. Subject to appeal, the application is refused for all of the applied for services.

Costs

59. The opponent has been successful and is entitled to a contribution towards its costs.

60. I bear in mind that the relevant scale is contained in Tribunal Practice Notice (“TPN”) 2/2016. I award costs to the opponent as follows:

Official opposition fee	£100
Preparing the statement of case and Considering the counterstatement	£300

Preparing submissions	£300
<u>Total</u>	<u>£700</u>

61.I therefore order Zenergi Limited to pay EG Utility A/S the sum of £700. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated 1 March 2019

**Andrew Feldon
For the Registrar
The Comptroller-General**