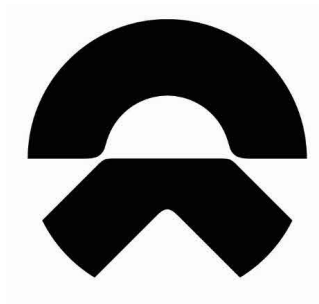


O-317-19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. UK00003273690 BY NIO NEXTEV LTD
TO REGISTER THE FOLLOWING TRADE MARK**



IN CLASSES 9, 11, 12, 14, 25, 28, 35, 36, 37, 38, 39, 41, 42 AND 43

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 412396
BY AUTOMOBILES CITROËN**

Background and pleadings

1) NIO NEXTEV Ltd (“the applicant”) applied to register the mark (shown on the front of this decision) in the UK on 28 November 2017. It was accepted and published in the Trade Marks Journal on 9 February 2018 in respect of the following list of goods and services:

Class 9: *Batteries; rechargeable batteries; batteries for vehicles and electric vehicles; intelligent glasses [data processing]; wearable action trackers; computer programs [downloadable software]; time recording apparatus; automatic measuring instruments; intercommunication apparatus; detectors; simulators for the steering and control of vehicles and electric vehicles; speed checking apparatus for vehicles and electric vehicles; battery chargers; reflective safety waistcoat.*

Class 11: *Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply, air conditioning and sanitary purposes; parts and fittings for the aforesaid goods; coils being parts of heating or cooling apparatus; defrosters for vehicles; fuel economisers; filters for air conditioners; heating apparatus for defrosting windows of vehicles; lighting lamps; light and light bulbs for direction indicators for motor vehicles; pocket searchlights; reflectors for vehicles; parts and fittings for motorised land vehicles, namely anti-glare devices for motor vehicles, anti-dazzle devices for automobiles (lamp fittings); lighting and lighting reflectors for automobiles.*

Class 12: *Sports cars; cars; motors for land vehicles; cycles; tires for vehicle wheels; water vehicles; steering wheels for vehicles; electric vehicles; cycle cars; motorcycles; apparatus for locomotion by land, air or water; vehicles; motor vehicles; land vehicles; electric vehicles; electric motors for land vehicles; vehicle axles; bodies for electric vehicles; brake shoes and brake linings for vehicles; calipers, brake systems, bumpers, couplings, differential, drive gears, drive shafts, motors, fans for engines, exchange gear selector, transmission, transmission shafts, radiators, radiator shutters, hydraulic*

cylinders and motors, couplings, carrying bearings and fan belts, all for land vehicles; chassis for vehicles; manual and power steering apparatus, safety restraints, seats, sliding roofs, steering columns, all for vehicles; hubs for vehicle wheels; vehicle wheels; wind deflectors, direction indicators, doors, hatches, upholstery, handles for doors, horns, mirrors [rearview mirror], luggage racks, ski racks, mudguards, snow, anti-skid chains, head restraints, seat belts, safety seats for children, mudflaps, roof racks, shock absorbers, springs, stabilizer, starters, steering wheels / steering wheels, steering linkages, suspensions, torsion bars, rods, window, window lifters, windshield wipers, all for vehicles; arm rests for vehicles; lead weights for balancing vehicle wheels; protective covers, radiator grilles, fluid containers, storage boxes and boxes, spare wheel carriers, all being parts of vehicles; trim panels for vehicle bodies; parts and fittings for vehicles, particularly motor vehicles and electric vehicles; mechanical controls for engines, brakes, clutches, accelerator pedals and gearboxes, engine mounts, all for vehicles; starter motor for cars.

Class 14: *Boxes of precious metal; medals; statues of precious metal; cuff links; tie pins; key rings [trinkets or fobs]; wristwatches; watch chains; badges of precious metal.*

Class 25: *Clothing; shirts; trousers; motorists' clothing; waterproof clothing; shoes; headgear; hosiery [clothing]; gloves [clothing]; neckties; girdles.*

Class 28: *Games and playthings; gymnastic and sporting articles not included in other classes; dolls; toy vehicles; radio-controlled toy vehicles; scale model vehicles; scale model kits [toys]; gloves for games; golf gloves.*

Class 35: *On-line advertising on a computer network; presentation of goods on communication media, for retail purposes; production of advertising films; providing business information via a web site; organization of trade fairs for commercial or advertising purposes; import-export agencies; sales promotion for others; business management of sports people; retail services in relation to electric vehicles and motor vehicles and vehicle accessories; advertising;*

business management services; business administration; office functions; rental of advertising space, including in the form of banner advertising; sponsorship (advertising); advertising for goods and services, for others, by means of contractual agreements; business and organisational consulting for companies and individuals regarding motor vehicles and electric vehicles.

Class 36: *Finance services; financial services relating to vehicles, in particular motor vehicles and electric vehicles; credit leasing; financial consultancy in relation to the repair and maintenance of vehicles, in particular motor vehicles and electric vehicles; underwriting services; monetary affairs.*

Class 37: *Car wash; anti-rust treatment for vehicles; vehicle service stations [refuelling and maintenance]; vehicle breakdown assistance [repair]; vehicle battery charging; vehicle maintenance; rubber tire repair; tire vulcanization [repair]; repair, maintenance, installation and assembly, cleaning and care of electrical and electronic apparatus, instruments and devices as well as electric vehicles, motor vehicles, motors and parts of the afore-mentioned goods; vehicle services, namely recharging services for electric vehicles, motor vehicle maintenance and repair services, vehicle repair, in particular breakdown services, fuel filling services for land vehicles, information and consultancy services relating to vehicle repair, advisory services for maintenance and repair of motor vehicles; leasing services relating to electric battery systems for land vehicles for the storage, discharge, supply, transmission and stabilization of electricity; installation, integration, maintenance and repair and upgrading of electric battery systems for land vehicles.*

Class 38: *Telecommunications; news agencies; telecommunication services provided via Internet platforms and portals; providing access to information on the Internet; electronic data interchange services; electronic exchange of messages via chat lines, chat rooms and internet forums; email services; rental of telecommunications equipment; radio and television and Internet program broadcasting, transmission and communications; providing of access to and transmission of digital music, video and other multimedia works*

through telecommunications; electronic mail; communications by cellular phones; broadcasting and transmission of television, radio and Internet programs.

Class 39: *Transport; packaging and storage of goods; travel arrangement; towing; taxi services; motor vehicle transport; rental of vehicles, in particular cars; leasing of vehicles, in particular automobiles; passenger transport, in particular by bus and car; freight brokerage; delivery of goods and parcels.*

Class 41: *Education; providing of training; entertainment; sporting and cultural activities; arranging and conducting of cultural and/or sports events; training services relating to up-and-coming talent; services of a promoter; organisation, arranging and conducting of colloquiums, conferences, congresses, symposiums, seminars and workshops (training); organization of exhibitions for cultural or educational purposes; production of television and radio programmes, radio and television entertainment; cinema presentations; performances (presentation of live -); provision of games on computer networks and on the Internet; providing museum facilities (presentation, exhibitions); performance of music, orchestra services; organisation of sports competitions; operation of lottery and games of chance.*

Class 42: *Scientific and technological services and research and design services relating to electric vehicles and automobiles; industrial analysis and research services with regard to electric vehicles and automobiles; design and development of computer hardware and software for electric vehicles and automobiles; vehicle design services; product development for the automotive industry and electric vehicles; development of motor vehicles and electric vehicles.*

Class 43: *Providing of food and drink; temporary accommodation.*

2) Automobiles Citroën (“the opponent”) oppose the trade mark on the basis of section 5(2)(b), section 5(3) and section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The section 5(2)(b) ground is directed against the goods and services in

classes 9, 11, 12, 14, 28, 35, 36, 37, 39 and 42 only. The section 5(3) and section 5(4)(a) grounds are directed against all of the applicant's goods and services. The first two of these grounds are on the basis of its earlier European Union (formerly Community) Trade Marks ("EUTMs") 10080125 and 16499345. The relevant details of these two earlier EUTMs are shown below:

EUTM 10080125



Filing Date: 28 June 2011

Priority Claim: 23 June 2011 (France)

Date of entry in register: 30 November 2011

Goods relied upon:

Class 12: *Vehicles; Apparatus for locomotion by land, air or water; Motor vehicles, bicycles, motorcycles, parts therefor, namely engines, gearboxes, bodies for vehicles, chassis, steering systems, suspension shock absorbers, transmissions for land vehicles, brakes, wheels, wheel rims, hub caps, seats, anti-theft alarms, horns, seat covers, headrests for seats, rearview mirrors, steering wheels, protective trim, windscreen wipers, torsion bars, fuel-tank caps, car bumper buffers, trailer hitches, luggage carriers, ski racks, spoilers, doors, sun roofs, windows.*

EUTM 16499345



Colours claimed: White; Red ("RAL:3000"); Grey; Black.

Filing Date: 22 March 2017

Date of entry in register: 26 September 2017

Class 12: *Vehicles, apparatus for locomotion by land, motor vehicles, in particular lorries; Vans [vehicles]; Vans [vehicles]; Motorbikes; Mopeds; Bicycles; Electric bicycles; Parts therefore, namely suspension shock absorbers for vehicles; Damping (springs -) for vehicles; Motors for land vehicles; Gear boxes for land vehicles; Vehicle chassis; Bodies for vehicles; Transmission shafts for land vehicles; Hydraulic circuits for vehicles; Torque converters for land vehicles; Clutches; Axles for vehicles; Brakes for vehicles; Vehicle wheels; Rims for vehicle wheels; Wheel covers [for vehicles]; Hubs for vehicle wheels; Pneumatic tyres; fly wheels; Vehicle seats; Head-rests for vehicle seats; Safety devices for vehicles, including safety belts and inflatable air cushions; Rearview mirrors; Windscreen wipers; Torsion bars; Bumper bars; Protective bars; Deflectors; Spoilers; Windscreens; Sunroofs; Windows for vehicles; tank caps; bag carriers; Saddles for cycles and motorcycles; Stands for cycles and motorcycles; Bicycle and motorcycle frames; Anti-theft devices.*

Class 35: *Bringing together (excluding the transport thereof) of vehicles and second-hand vehicles and parts and fittings therefor, enabling customers to conveniently view and purchase those goods; Presentation of vehicles and second-hand vehicles and parts and fittings therefor on communication media, for retail purposes; Exhibitions for commercial or advertising purposes.*

Class 36: *Insurance; Banking and financial services, loans, credit and leasing, in particular for the purchasing of new and second-hand vehicles; Vehicle insurance; Life insurance; Accident insurance; Insurance brokerage; Insurance information and consultancy; Credit cards and other means of electronic payment used for the purchase of fuel and lubricants, for carrying out vehicle maintenance and repair; Financial services in the field of leasing and rental of vehicles; Financial loans for the repair of vehicles; Surety services (guarantees) for vehicles; Financial estimates relating to parks for land vehicles and car parks.*

Class 37: *Motor vehicle maintenance and repair services; Vehicle repair.*

Class 39: *Transport; Vehicle hire; Lending or replacing vehicles; Vehicle towing; Rental of garages and parking places.*

3) The opponent's EUTMs are both earlier marks as defined in section 6 of the Act because they both have filing dates that are earlier than the filing date of the applicant's mark. The opponent's EUTM 10080125 completed its registration procedure more than five years before the publication of the applicant's mark and is therefore potentially subject to the proof of use provisions set out in section 6A of the Act. The opponent's earlier EUTM 16499345 is not subject to the proof of use provisions and, consequently, the opponent is entitled to rely on any of the goods and services listed in that registration.

4) The opponent asserts that the respective marks both consist of a "double chevron" and are visually similar and conceptually similar to a high degree, if not identical. It further asserts that the addition of the word *CITROËN* in its second earlier EUTM "does not provide any distinguishing features" because the mark, as a whole, "consists of two immediately identifiable separate elements, both having independent distinctive presence". Whilst it asserts that there is a prima facie similarity, it also claims an enhanced level of distinctive character of its "double chevron" marks due to extensive use over many decades. It also claims that the respective goods and services are either identical, similar or complementary. It claims that use of the applicant's mark will result in a likelihood of confusion under section 5(2)(b) of the Act.

5) In respect of the grounds based upon section 5(3), the opponent asserts that it has a "considerable reputation" in its marks that have been used extensively since 2009. Further, it claims to have used stylistic variations of the "double chevron" device since 1919 and "has become iconic within the automobiles sector and its associated fields". It asserts that because of this reputation and because of the similarities between the marks, use of the applicant's mark will result in:

- (i) an unfair advantage being taken of its marks' reputation and it being able to establish itself on the UK market more quickly and at a lower cost. As such it will be riding on the coat tails of the opponent's reputation;
- (ii) detriment to the opponent's reputation and distinctive character of its marks. The opponent will have no quality control over the use of the applicant's mark and its manufacturing and/or provision of services.

6) For the purposes of its grounds based upon section 5(4)(a), the opponent relies upon signs that are the same as the two marks relied upon for the other two grounds. In addition, it relies upon a third sign that it claims it has used since 2016:



7) The goodwill is claimed in respect of goods and services that mirrors the list of goods and services relied upon for the purposes of section 5(2)(b) and section 5(3). It claims goodwill throughout the UK since 2009. In respect of the third sign, it states that use ceased in 2016. The opponent claims that use of the applicant's mark would amount to misrepresentation giving rise to deception in the minds of the public, resulting in damage to the opponent's business.

8) The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of its earlier EUTM 10080125. In particular, it asserts that its mark is "conceptually and visually very different and not confusingly similar" to the opponent's marks.

9) Both sides filed evidence in these proceedings. The opponent also filed written submissions that I will keep in mind.

10) A Hearing took place on 22 May 2019 where the opponent was represented by Max Stacey for Baron Warren Redfern and the applicant by Paul Walsh for Bristows LLP.

Evidence

11) The opponent's evidence takes the form of a witness statement by Corinne Foujanet, an IP lawyer in the legal department of Groupe PSA. Ms Foujanet states that she is responsible for the brand protection of the opponent, including its double chevron device. Ms Foujanet provides evidence regarding trade mark use in the

vehicle industry, the scale of the opponent's business and the use of the marks it relies upon in these proceedings. A second witness statement is provided by James Maxwell Stacey, Certified Trade Mark Attorney and partner with the opponent's representative in these proceedings. It is provided in reply to the applicant's evidence and challenges its claim to have used its mark in the EU since 2016.

12) The applicant's evidence takes the form of two witness statements. The first is by Dr Moritz Wefelscheid, Senior Legal Director for Europe of Nio GmbH. He explains that Nio GmbH and the applicant are within the same corporate group of companies. He states that he is in a position to comment on the activities of the companies within the group, including the applicant. He provides evidence regarding the background of the applicant and the creation of its mark. The second witness statement is by Sarah Husslein of Bristows LLP, a French qualified lawyer, authorized to practice in the UK. Ms Husslein provides evidence regarding the definition of a chevron and use of chevron logos in the automobile industry.

Proof of use

13) At the hearing, Mr Walsh made numerous criticisms of the evidence and submitted that it failed to demonstrate use of the marks relied upon. Certainly, the evidence could have been better marshalled with the clearest evidence appearing on printed matter such as advertisements for different Citroen vehicles. However, this formed the minority of the evidence, with the focus being on the use of "double chevron" devices on the vehicles themselves that are, arguably, not the same as the earlier marks relied upon. Some criticisms were not consistent with guidance in the case law, for example, I dismiss the submission that the opponent failed to prove that use of its word and device mark (the opponent's second mark) amounted to use of the device only mark (the opponent's first mark). It is clear to me that the device has an independent role within the mark and use of the mark also qualifies as use of the device element of the mark. The evidence illustrates the device often appearing above the word "CITROËN", but it is a clear case of the device mark and a word mark being used together.

14) However, for reasons of procedural economy, I do not intend to undertake a further analysis of the evidence and, for the purposes of this decision, I will proceed on the basis that the opponent has demonstrated genuine use of its marks at least in respect of vehicles and their parts and fittings.

DECISION

Section 5(2)(b)

15) Section 5(2)(b) of the Act is as follows:

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

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

Comparison of goods and services

16) Some of the applicant's goods, i.e. [*v*]ehicles are obviously identical to the opponent's goods. For reasons of procedural economy, I will not undertake a full comparison of the goods and services listed earlier. I will proceed on the basis that the contested goods and services are identical to those covered by the opponent's earlier marks. If the opposition fails, even where the goods and services are identical, it follows that the opposition will also fail where the goods and services are only similar.

Comparison of marks



17) It is clear from *Sabel BV v. Puma AG*, Case C-251/95, (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 Court of Justice of the European Union 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.”

18) 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.

19) The respective marks are shown below:

| Opponent's marks | Applicant's mark |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|  |  |

20) I will limit my analysis to the similarity between the applicant's mark and the opponent's first mark. With the absence of the second element (the word "CITROËN") from the opponent's first mark, this removes a point of obvious dissimilarity to the applicant's mark that has no word equivalent. Consequently, if the opponent cannot succeed based upon its first mark, neither will it succeed in an opposition based upon its second mark.

21) The opponent's mark consists of, what the opponent describes as, a "double chevron" device with the two chevrons appearing identical in appearance and positioned one above the other. The distinctive character of the mark resides in these devices and their position relative to each other. The applicant's mark consists of a broad half ring open at its underside and appearing directly above an inverted "v" shape with a flattened top. The opponent submits that these also present as two chevron devices. In response, Ms Husslein provides a definition of a "chevron" as meaning V shape¹ and at the hearing, Mr Walsh submitted that the applicant's mark does not consist of two chevrons because the applicant's mark consists of "a semicircle...on a stand with two legs without...". I agree. The two parts of the applicant's mark present as a single unit because of their close proximity to each other and, therefore, the distinctive character resides in the impression created by the whole of the mark. Even if I am wrong and they present as two separate elements, their relationship with each other is such that the distinctive character resides in the combination of the two elements.

22) Visually, the opponent's mark presents as two identical devices placed one above the other. They are boomerang-shaped with the middle pointing upwards. Dark areas are visible within these devices. These give the illusion of depth and a three-dimensional character. The opponent submits that the applicant's mark also presents as a two chevron-like device. I do not agree. The visual impression created by the applicant's mark is ambiguous and not that of two chevrons. It may be argued that, in isolation the lower part of the mark is approximately chevron-shaped, however, any vague similarity to that is dispelled by its close proximity to the half ring element that appears directly above it. This creates the impression of a wide, rounded body sitting on top of two supports or legs. Taking all of this into account, I conclude that if there is any visual similarity, it is only very low.

23) The marks being compared are both device marks and, consequently, they have no aural characteristics. Therefore, they are neither aurally similar, nor dissimilar.

¹ Ms Husslein's witness statement, para 3 and Exhibits SH01 and SH02

24) The opponent submits that the respective marks share the same conceptual identity with both, it contends, consisting of “double chevron” devices. I have already found that the applicant’s mark will not be perceived in this way. It consists of a device with no strong concept. However, there may be the slightest allusion to a semicircle being on two legs and a wide, rounded body, but this is only very vague. Consequently, I find that there is no conceptual similarity between the marks.

Average consumer and the purchasing act

25) 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*.

26) 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.”

27) Mr Stacey identified that, in respect to vehicles, the average consumer consists of members of the vehicle purchasing public, car fleet operating businesses and commercial vehicle purchasing and operating businesses. I agree. Mr Walsh submitted that because of the high price of cars, consumers are likely to pay a high degree of attention during the purchasing process. Further, he submitted that the purchasing process will normally involve a careful review of websites, brochures and/or specifications and, as a result, the consumer will be an informed one. I agree

with these submissions. The purchase of a vehicle is not a casual purchase, but rather one where time is taken to identify a model that meets the consumers' requirements in terms of specification, size, economy and environmental credentials. The purchasing process is a careful one and made by consumers who normally have a good knowledge of the various vehicles or they will seek out information regarding whether they may meet their requirements. Such a purchasing process will invariably be visual in nature and exclusively so where the vehicle is identified by a device mark of the kind at issue in these proceedings.

28) Numerous other goods and services at issue in these proceedings, but for reasons of procedural economy, it is not necessary that I identify the average consumer and the nature of the purchasing process for these.

Distinctive character of the earlier trade mark

29) 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).”

30) As I have already noted, the opponent’s mark is a device mark consisting of two boomerang-like devices appearing one above the other. These are two reasonably uncomplicated geometric shapes that, because of their shape and position relative to each other, may give the impression that they are chevrons, as the opponent submits. Such a device is not of the highest level of distinctive character, but neither is it low. Consequently, I find that it is endowed with an average level of inherent distinctive character

31) The opponent also submits that the distinctiveness of its mark has been enhanced because of the use made of it since 2009 in both the UK and the EU. Certainly, the Citroën brand is well known in the UK for its vehicles and, as I mentioned in the hearing, I take judicial notice of this, however, the applicant has made numerous criticisms of the evidence submitting that it fails to substantiate that the marks, as relied upon, have been extensively used. Once again, it is not necessary for me to consider this issue. It is sufficient, for the purposes of this decision, that I proceed on the basis that the distinctiveness of the opponent’s earlier mark has been enhanced through use resulting in a high level of distinctive character.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

32) The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

33) I have proceeded on the basis that the:

(i) respective goods are identical;

(ii) purchasing process involves a greater than normal level of care and attention and that it is primarily visual in nature;

(iii) opponent's mark benefits from an enhanced level of distinctive character;

(iv) distinctive character of the respective marks resides in their totality and where it may be found they consist of more than one element, their distinctive character resides in the combination with no one element dominating;

(v) respective marks share a very low level of visual similarity and no aural or conceptual similarity.

34) Some of these findings point to a likelihood of confusion, however, I find that the very low level of visual similarity and the absence of aural and conceptual similarity is more than sufficient to offset this. The opponent's submission that the applicant's mark consists of two chevrons stretches credibility. Even if I am wrong and the applicant's mark will be perceived as consisting of two elements, the element positioned at the top of the mark is not, by any stretch of the imagination, a chevron. The lower element, if viewed separately, may possibly evoke the idea of one, but in context within the mark, this evocation will be displaced by an impression that it forms the two-legged base of the device. Taking all of the issues into account together with the fact that imperfect recollection may be a factor, I find that there is comfortably no likelihood of confusion and further, I find it unlikely that it will even bring the earlier mark to mind.

35) In reaching the above conclusion, I have not overlooked the fact that the opponent has provided evidence consisting of photographs of one of the applicant's road cars². A representation of the applicant's mark is visible on the bonnet and steering wheel of the cars. The opponent submits that "when seen from a distance" the appearance of the applicant's mark "has close similarity to [its] Double Chevron" as illustrated in this exhibit. I agree with Mr Walsh when he submitted that this is not the test of a likelihood of confusion. It will become more difficult to distinguish marks the further away they are placed. In this case, two marks that are quite distinct from each other begin to look more similar the further away they are placed just because they both have two device elements placed one above the other (in fact, as I have already commented, it is not even clear that the applicant's mark consists of two distinct elements). Such a general level of similarity is in no way sufficient to demonstrate a likelihood of confusion. I dismiss this submission.

36) The above finding relates to the identical *vehicles* present in both parties' Class 12 specification. There are numerous other goods and services at issue, but none of these will involve a higher level of care and attention during the purchasing process. Because a high level of care and attention is a factor pointing away from a likelihood of confusion, it follows that a lower level of care and attention may increase such a likelihood. However, in the current case, the differences between the marks are comfortably sufficient to offset this. Therefore, for these additional goods and services, there will be the same or even lesser likelihood of confusion.

37) Finally, in respect of the opponent's earlier word and device mark, this contains the additional element "CITROËN" that has no equivalent in the applicant's mark. This additional difference results in the opponent's case being even weaker than when relying upon its device mark.

38) In summary, the ground based upon section 5(2)(b) fails in its entirety.

² Exhibit CF19

Section 5(3)

39) Section 5(3) states:

“(3) A trade mark which –

- (a) is identical with or similar to an earlier trade mark,
- (b) (repealed)

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EU) in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

40) The relevant case law can be found in the following judgments of the CJEU: *Case C-375/97, General Motors, Case 252/07, Intel, Case C-408/01, Addidas-Salomon, Case C-487/07, L’Oreal v Bellure* and *Case C-323/09, Marks and Spencer v Interflora*. The law appears to be as follows.

- a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.
- (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.
- (d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective

marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in

particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

41) For the purposes of my analysis, I will assume that the opponent's marks benefit from the requisite reputation.

Link

42) Similarity of signs must be assessed in the same way for 5(2) and 5(3). There is no threshold level of similarity, but there must be similarity when the marks are compared overall (see the CJEU's guidance in Case C-408/01, *Addidas-Salomon*). However, I recognise that the level of similarity required for the public to make a link between the respective marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion (see *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, paragraph 72). However, the relevant section of the public must still make a connection between the marks.

43) As I discussed in paragraph 34, 35 and 36, above, I have found that the applicant's mark is not likely to bring the opponent's mark to mind let alone confuse the consumer into believing that the goods sold under the respective marks originate from the same or linked undertaking. In the absence of the bringing of the opponent's mark to mind, there can be no link for the purposes of section 5(3). In light of this, there can be no detriment to, or unfair advantage taken of the opponent's mark that may result from use of the applicant's mark.

44) In summary, the ground of opposition based upon section 5(3) fails in its entirety.

Section 5(4)(a)

45) Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

46) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

47) Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Relevant date

48) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of s.5(4)(a) of the Act and referred with approval to the following comments of Mr Alan James acting for the Registrar in *SWORDERS TM* O-212-06 where he identified the relevant date(s) in the following terms:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

49) The applicant has provided evidence of both its and its mark’s presence in the UK, but this is restricted to its cars competing in the “Formula E” electric car racing series. The applicant has not made any claim that this demonstrates a concurrent or earlier goodwill. Therefore, the only relevant date is the filing date of the contested application, namely, 28 November 2017.

Goodwill

50) I have little hesitation in concluding that the opponent enjoys the requisite goodwill in the UK as at this date.

Misrepresentation and damage

51) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

52) In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

53) Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “*a substantial number*” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later judgment in *Comic Enterprises*, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments. Certainly, I believe that this is the case here and I find that members of the public are not likely to be misled into purchasing the applicant’s goods and services in the belief that they are the opponent’s goods and services.

54) I find that the opponent’s grounds, insofar as they are based upon section 5(4)(a), fail.

Conclusion

55) The opposition fails in respect of all three grounds and the application may proceed to registration.

COSTS

56) The opposition has failed and the applicant is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2 of 2016. I take account that both sides filed evidence and that a hearing was held. I award costs as follows:

| | |
|----------------------------------------------------------|--------------|
| Considering statement and preparing counterstatement | £300 |
| Preparing evidence and considering other side's evidence | £600 |
| Preparing for, and attending hearing | £700 |
| TOTAL | £1600 |

57) I order Automobiles Citroën to pay to Nio Nextev Ltd the sum of **£1600**. This sum is to 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 4 June 2019

**Mark Bryant
Principal Hearing Officer
For the Registrar**