

**O-192-20**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3213230  
BY ONTRO LIMITED TO REGISTER THE TRADE MARK**



**IN CLASSES 16, 35, 39, 41, 43**

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 409559 BY  
DELTA AIR LINES, INC**

## BACKGROUND AND PLEADINGS

1) Ontro Limited (hereafter “the applicant”) applied on 16 February 2017 to register the following trade mark that was then subsequently published for opposition purposes on 17 March 2017:



2) The application was filed in respect of various goods and services in classes 16, 35, 39, 41 and 43. For the purposes of these proceedings, I note that these goods and services include the following:

**Class 16:** ...; *in-flight [sic] magazines; ...*

**Class 35:** ...; *office functions; ...; loyalty, incentive and bonus program services; loyalty scheme services; organisation, operation and supervision of customer loyalty schemes; management of customer loyalty, incentive or promotional schemes; customer loyalty services for commercial, promotional and/or advertising purposes; consumer loyalty card and loyalty scheme services; ...*

**Class 39:** *Transport; packaging and storage of goods; travel arrangement; travel agency; travel agency and booking services; booking agency services for travel; travel agency services for arranging travel; travel agency services for business travel; travel agency services for arranging holiday travel; arrangement of flights and flight planning services; booking agency services for airline travel; arranging and booking of flights; arranging and booking of travel by private jet; booking of seats (travel); arranging and booking of coach*

*travel; arranging and booking of travel by bus; arranging and booking of tours and cruises; transport of travelers by road, land, bus, train, car, taxi, tram, air and sea; chartering of land vehicles, aircraft or boats; chauffeur services; agency services for arranging the transportation of travelers; agency services for arranging the transportation of travelers' luggage; storage of luggage; collection of luggage; travel agency services, namely, making reservations and bookings for transportation; travel arrangements for First Class and Business Class travelers; arrangement of travel and transfers to and from hotels; arrangement of travel and transfers to and from airports; planning, arranging and booking of travel; travel services; travel reservation; travel consultancy; travel guide and travel information services; providing travel information via global computer networks; providing information about travel, via the Internet; planning and booking of travel and transport, via electronic means; providing transport and travel information via mobile telecommunications apparatus and devices; itinerary travel advice services; timetable enquiry services relating to travel; travel route planning; arranging travel tours; arranging escorts for travelers; travel and tour ticket reservation services; computerised reservation services for travel; arranging and conducting tours and excursions; arranging and booking of holidays, travel, tours, cruises, and vehicle hire; arranging for travel visas, passports and travel documents for persons travelling abroad; wrapping services for baggage protection during travel; priority boarding, check-in, seating and reservation services for frequent air travelers; consultancy in the field of travel provided by telephone call centers and hotlines; parking place rental; rental of cars, airplanes, ships and boats; car rental; rental car reservation services; online transportation check-in services; online airline check-in services; preferential passenger check-in services; issuance of electronic boarding pass.*

**Class 41:** *...; arranging and conducting of conferences, ...; organisation of conferences, exhibitions, meetings and competitions; arranging and conducting conferences; arranging and conducting of exhibitions; arranging and conducting of meetings.*

**Class 43:** *...; arranging and/or providing meals for travellers; ...*

3) Delta Air Lines, Inc. (hereafter “the opponent”) partially opposed the application on the basis of section 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”). It subsequently decided not to pursue the latter ground and the case comes to be decided based upon section 5(2)(b) only. The opposition is directed against the goods and services identified in the previous paragraphs. The opponent relies upon the following earlier European Union Trade Mark (“EUTM”), the relevant details of which are:

<b>EUTM No. 8149941</b>
 The logo features a red triangle pointing upwards to the left, followed by the word "DELTA" in blue, and "SKY CLUB" in a larger blue font below it.
Colours claimed: Red, blue Filing date: 11 March 2009 Priority date: 5 March 2009 Date of entry in register: 7 October 2009
The list of services:  <b>Class 39:</b> <i>Air transportation services featuring transit lounge facilities for passenger relaxation.</i>

4) The opponent’s mark is an earlier mark within the meaning of section 6(1) of the Act because it has an earlier filing date than the contested application. It completed its registration procedures more than five years before the publication date of the contested application and, as a result, is potentially subject to the proof of use provisions contained in section 6A of the Act.

5) The applicant filed a counterstatement denying that the respective marks are similar. It ticked the box at paragraph 7 of the Form TM8 to indicate that it was not putting the opponent to proof of use. As a consequence of this, the opponent may rely upon the full list of services in its earlier registration.

6) Only the applicant filed evidence in these proceedings. A hearing took place before me on 12 February 2020 where the opponent was represented by Julius Stobbs for Stobbs and the applicant was represented by Mark Engelman of Counsel, instructed by Potter Clarkson LLP.

## **DECISION**

### **The hearing/post-hearing written submissions**

7) The hearing was concluded early because Professor Engelman was unwell and before he had presented his submissions on the substantive issues and on costs. Professor Engelman indicated that he was content for me to rely upon his skeleton argument in lieu of his aural submissions. Further, and with the agreement of Mr Stobbs and Professor Engelman, I directed that Professor Engelman provided written submissions in respect of:

- (i) *Ofulue v Bossert*<sup>1</sup>, a case relied upon by Mr Stobbs, but one that neither myself nor Professor Engelman had had sight of prior to the hearing;
- (ii) any points in response to Mr Stobbs' submissions, and;
- (iii) costs.

8) Mr Stobbs was also given the opportunity to provide written submissions in reply. They both provided submissions and I take these into account in addition to the oral submissions made at the hearing.

9) Mr Stobbs complains that Professor Engelman's written submissions reflect a significant change from that contained in the skeleton argument and he cites Professor Engelman's arguments about alleged differences in the overall impressions of the marks and "the strength of the DELTA and SKY CLUB marks. However, Professor Engelman is entitled to respond to Mr Stobbs' submissions at the hearing regardless of whether these are included in his own skeleton argument.

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<sup>1</sup> [2009] UKHL 16

Further, Mr Stobbs has had the opportunity to respond to these submissions in his own written submissions in reply. Therefore, I dismiss this criticism.

10) I note that Professor Engelman makes a number of submissions relating to the approach/alleged tactics employed by the opponent. I will refer to these at the appropriate part of the decision.

### **Applicant's evidence**

11) This takes the form of a witness statement from H. Sangha, director of four companies including the applicant. Two of these companies trade under the name "SkyClub". Mr Sangha provides information regarding an approach by the opponent and detailed information regarding the history and use of the applicant's mark and business.

### **Preliminary issue**

12) The opponent has challenged part of the evidence provided by Mr Sangha, submitting that it should be struck out because it is without prejudice material. When considering this issue, I keep in mind the guiding principle<sup>2</sup> that there is a public policy interest in encouraging litigants to settle their differences rather than litigate and they should not be discouraged by the knowledge that anything that is said in the course of negotiations may be used to their prejudice in subsequent proceedings. The relevant part of the evidence is paragraph 2 of Mr Sangha's witness statement (shown below) and a letter provided at his Exhibit 1 (reproduced in full in the Annex to this decision):

"2. Ontro filed its Application on 16 February 2017 and Delta through its trade mark attorney's, Ladas and Parry admit to the co-existence of my company's earlier registration for the mark SkyClub and device mark the subject of 2552169 and therefore almost identical to the Application and its, Delta's

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<sup>2</sup> See the comments of Lord Griffiths in *Rush & Tomkins Ltd v Greater London Council* [1989] AC 1280, 1299 quoted at [62] in *Bradford & Bingley plc v Rashid (FC)*, [2006] UKHL 37

earlier registered trade mark by a letter dated 25 April 2017. This is not a without prejudice letter because it contains no offer of settlement ...”

13) Professor Engelman submitted that:

- the letter, at Exhibit 1, cannot be considered without prejudice because:
  - it is not marked “without prejudice”
  - there is little in the letter “by way of an offer”;
- in the alternative, that the following statement: “Our clients registration and your clients earlier mark appear to have co-existed satisfactorily for a number of years” is a clear admission-against-interest that falls outside the cloak of without prejudice.

14) Regarding the first submission, Mr Stobbs pointed out that the absence of the letter being marked as “without prejudice” is not decisive and that the letter was written with the intention of reaching a settlement. I agree, and I decline to rule out striking out this evidence merely because of an absence of such an indication.

15) In considering Professor Engelman’s criticism that the letter contains little by way of an offer, I note the following regarding the content of the letter:

- (i) there is an admission that the opponent is aware of the applicant’s earlier registration and records that it covers “in effect, travel agency services”;
- (ii) a statement that the applicant’s earlier mark and its mark “appear to have co-existed satisfactorily for a number of years”;
- (iii) a statement that they “anticipate this is because the respective services ...are sufficiently different”;
- (iv) a statement that the opponent is concerned that the new application “goes far beyond the original registration” and that it is concerned that the applied for services “cover more than the actual services” undertaken by the applicant;

16) To my mind, whilst this content does not amount to an offer, it sets the scene from the viewpoint of the opponent. The letter then goes on to state:

- (i) that the opponent has asked its representative “to propose a co-existence agreement” between the parties “in order to establish an understanding about the scope of use of their respective marks”;
- (ii) what the opponent would wish to achieve in terms of the services in which the applicant uses its mark, the geographical scope of such use and a commitment to only use its mark in “its current design”;
- (iii) In exchange, the opponent offered not to use its “mark in a manner containing graphic elements that are similar to those of [the applicant]”.

17) These elements are part of a “first salvo” in an apparent attempt to open negotiations and include, in general terms, what is wanted from the applicant and what it was prepared to do in return. Again, to my mind, this is clearly an attempt to negotiate an agreement with the applicant and, consequently, should be protected by the without prejudice rule. Setting out the background to such an attempt to negotiate would fall under the umbrella of without prejudice. To find otherwise would infringe the guiding principle identified earlier. Consequently, I reject Professor Engelman’s submission.

18) Regarding Professor Engelman’s alternative position, it is important to understand the context of the relied upon comment. The full paragraph of the letter reads:

“Our clients are aware of your client’s registration 2552169 for the same mark as the one now advertised covering, in effect, travel agency services in class 39. Our client’s registration and your clients earlier mark appear to have co-existed satisfactorily for a number of years. Our clients are concerned about the new application, particularly in relation to class 39 services. The scope of the services now applied for goes far beyond the original registration. You will understand that our clients are concerned that the services which have been applied for cover more than the actual activities which your clients undertake.”



19) I accept the principle that an admission may be admissible if it falls outside the area of a compromise, but I find that this should not be the case in the current proceedings for the following reasons:

- (i) the claimed admission is couched in cautious terms using phrases like the marks “appear to have co-existed” and “We anticipate this is because...”. Thus, there is no clear admission against interest. In fact, the language appears to have been carefully chosen to avoid such an admission. Use of the language “We anticipate this is because...” allows for the possibility that there was some other reason for the applicant’s other mark co-existing with the opponent’s mark, such as the opponent’s lack of knowledge of its existence.
- (ii) The much wider specifications of the contested application suggest that the applicant intends to extend its service offerings. This, combined with the opponent’s letter making it clear that any co-existence agreement would need to restrict the applicant’s specifications to more closely reflect its current business (understood by the opponent to be a travel agency) indicates that, even if the language used can still be construed as an admission, it relates only to the fact that the applicant appears to be operating as a travel agency and goes to the issue of non-infringement.

20) All of the above undermines Professor Engelman’s reliance upon *Bradford and Bingley* but even if I am wrong in respect of all of these findings, I am with Mr Stobbs when he submitted that the letter was genuinely intended to instigate settlement negotiations. There were submissions from both sides regarding the application of *Bradford and Bingley* and the relevance of *Ofulue v Bossert* in interpreting *Bradford & Bingley*. However, even if Professor Engelman is correct that they support his contention that the claimed admission-against-interest should be carved out from the cloak of without prejudice, that position is undermined by the cautious language used in the letter.

21) In summary, I have found that the applicant’s evidence contained in paragraph 2 of Mr Sangha’s statement and at Exhibit 1 are without prejudice materials and are struck-out. I also reject Professor Engelman’s submission that the statements are

admissions-against-interest and should be carved out from the without prejudice rule because of their more cautious construction.

22) At the hearing, Mr Stobbs indicated that if this were to be the outcome, he was content for me to remain as the decision maker despite the potential for me to be tainted by the without prejudice information. I add that it is my view that having knowledge of this material in no way impacts upon the considerations required under section 5(2)(b).

### **Section 5(2)(b)**

23) 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”.

24) Mr Stobbs pointed to the applicant’s defence to the section 5(2)(b) ground which is limited to a denial that the respective marks are not similar and that I should proceed to decide the case only insofar that this is the applicant’s defence. Certainly, there are circumstances when a deficient defence should not be open to a remedy at a late stage in the proceedings. However, in these proceedings I note that, in their skeleton arguments, both sides address other issues that contribute to the global appreciation required when assessing the likelihood of confusion. In the current circumstances, the opponent has not been disadvantaged and has opportunity to address the broader issues relating to the global appreciation test relevant to the assessment of likelihood of confusion and, further, has provided submissions on these points.

25) In conclusion, whilst the applicant’s defence is deficient in its lack of denial regarding issues relating to the global analysis except the similarity of the marks, the

opponent has had an opportunity to address these. Therefore, in the circumstances, I will consider the applicant's submissions regarding the factors that contribute to the global analysis, as set out by Professor Engelman and Mr Stobbs submissions in support of the opponent.

### ***Comparison of goods and services***

26) In the judgment of the Court of Justice of the European Union ("the CJEU") in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, Case C-39/97, the court stated at paragraph 23 of its judgment 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".

27) 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.

28) In addition, I also keep in mind the guidance of the General Court (“the GC”) in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, when it 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 für 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”

29) In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...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”.

30) Mr Stobbs provided a convenient table in his skeleton arguments setting his submissions regarding the similarity of the respective goods and services. I keep these submissions in mind.

## **Class 16**

31) The opponent challenges only the term *in-flight magazines*. Mr Stobb’s submitted that such goods are provided on aircraft for the entertainment of passengers and that provision of aircraft is part of air transportation services, therefore, these goods must be at least similar/complementary to the “provision of aircraft”. The term “provision of aircraft” is not present in the opponent’s list of services but I take Mr Stobbs’

submission to relate to a sub-group of services covered by the term *Air transportation services*... There is a fundamental difference in nature with one being a tangible item, whilst the other is a service. The intended purpose and method of use of a magazine is to entertain and engage the reader whereas for the provision of aircraft it is to provide the means to transport, by air, people and/or goods. The respective goods and services are not in competition. It can be said that there is some complementarity in the sense expressed in *Boston Scientific* because the provision of aircraft for the transportation of people is important or even indispensable to *in-flight magazines*. Further, a person utilising the provision of an aircraft will include air passengers. Such consumers, upon encountering an in-flight magazine may associate its source with the provider of the aircraft, therefore, there is some overlap of trade channels. Taking all of this into account, there is similarity, but I would put this at low.

### **Class 35**

32) I will discuss the opposed terms of the applicant's specification in the same groupings as used by Mr Stobbs:

#### *Office functions*

33) Mr Stobbs submitted that *air transportation services* encompass at least some aspects of *office functions* with the need for the collection and storage of information relating to the air transportation and passengers and/or freight. Whilst this is undoubtedly so, when considered in the context of the criteria identified in *Canon* and *Treat*, there is no obvious similarity. The respective services are self-evidently dissimilar in terms of their nature and intended purpose and they are clearly not in competition. *Air transportation* is used to transport people or goods using aircraft, whereas *office functions* are used in an office environment to maintain the functions of that office and, consequently, they are dissimilar. The consumer will not expect a provider of office functions to also provide air transportation and, therefore, their trade channels are separate and do not overlap. When considering whether the respective services are complementary, it is not clear to me that these services are, in any way, 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.

34) It is insufficient that as part of the provision of air transportation, some office functions are undertaken. To find otherwise would result in office functions sharing similarity with any or all business activities and would be incompatible to the purpose of classifying goods and services of trade mark registrations. I conclude there is no similarity.

*Loyalty, incentive and bonus program services; loyalty scheme services; organisation, operation and supervision of customer loyalty schemes; management of customer loyalty, incentive or promotional schemes; customer loyalty services for commercial, promotional and/or advertising purposes; consumer loyalty card and loyalty scheme services*

35) Mr Stobbs submitted that these services are similar to air transportation services because the latter often include passenger loyalty or bonus schemes. He further submitted that transit lounge facilities could also include customer loyalty incentive schemes. This appears to be a claim that trade channels for these respective services may overlap. I agree that this may be so. However, these services are self-evidently different in nature, method of use and purpose. Further, they are not in competition. Finally, despite the possibility for the trade channels to overlap, there is no complementarity in the sense that one is indispensable or important for the other. Taking all of this into account, I find that there is some similarity but it is only very low.

### **Class 39**

*Transport; transport of travelers by road, land, bus, train, car, taxi, tram, air and sea; chartering of land vehicles, aircraft or boats; chauffeur services; agency services for arranging the transportation of travelers; agency services for arranging the transportation of travelers' luggage*

36) Mr Stobbs submits that where such services relate to transport of people and things by air, the respective services are identical and that where these services relate to transport other than by air, they are similar or complementary. I agree that the applicant's *transport; transport of travelers by ..., air ...; chartering of ..., aircraft ...; agency services for arranging the transportation of travelers; agency services for arranging the transportation of travelers' luggage* can include services in the form of *air transportation services* and that, when applying the guidance from *Meric*, the respective services are identical. This is so even when taking account that the opponent's services are limited to *featuring transit lounge facilities for passenger relaxation* because they may be a feature of the applicant's services. If I am wrong, there would nevertheless be a high level of similarity.

37) In respect *transport of travelers by road, land, bus, train, car, taxi, tram, ... and sea; chartering of land vehicles, ... or boats; chauffeur services* are clearly not identical because they all involve a different mode of transport to the applicant's services. There is no evidence before me that the consumer would consider that such services are provided by air transportation service providers nor vice versa. Consequently, I find that these services do not share trade channels. There is some similarity of nature, intended purpose and method of use because they both use vehicles to transport travelers. *Transport of travelers by road, land, bus, train, car, taxi ...and sea* may also involve longer journeys and may function as alternatives to air travel and, therefore, these services may have an element of competition with the opponent's services. Nevertheless, the different modes of transport involved lead me to conclude that these services share no more than a low level of similarity to the opponent's services.

38) The applicant's *transport of travelers by ..., tram, ...; chartering of land vehicles, ... or boats* are not likely to be in competition, not are they complementary in the *Boston Scientific* sense and I find that these only share an even lower level of similarity to the opponent's services.

39) Mr Stobbs submitted that it is common for airlines to offer *chauffeur services* as part of an airline transportation package. There is nothing before me to support this and, consequently, I am not able to conclude that they share trade channels.

*Chauffeur services* share some similarity of nature, intended purpose and methods of use to the opponent's services in that they are both transportation services (albeit using different modes of transport) with the purpose of transporting persons from one location to another using vehicles. However, whilst it is conceivable that a consumer may make a choice whether to travel by chauffeur driven car or to fly, I do not consider that this is likely and I conclude they are not in competition. Further, I disagree with Mr Stobbs when he suggests that these services are complementary. One is not indispensable or important for the use of the other and, therefore, they are not complementary in the sense expressed in *Boston Scientific*. Taking all of this into account, I find these services share only a low level of similarity.

*Travel arrangement; travel agency; travel agency and booking services; booking agency services for travel; travel agency services for arranging travel; travel agency services for business travel; travel agency services for arranging holiday travel; arrangement of flights and flight planning services; booking agency services for airline travel; arranging and booking of flights; arranging and booking of travel by private jet; booking of seats (travel); arranging and booking of coach travel; arranging and booking of travel by bus; arranging and booking of tours and cruises; ... travel agency services, namely, making reservations and bookings for transportation; travel arrangements for First Class and Business Class travelers; arrangement of travel and transfers to and from hotels; arrangement of travel and transfers to and from airports; planning, arranging and booking of travel; travel services; travel reservation; travel consultancy; travel guide and travel information services; providing travel information via global computer networks; providing information about travel, via the Internet; planning and booking of travel and transport, via electronic means; providing transport and travel information via mobile telecommunications apparatus and devices; itinerary travel advice services; timetable enquiry services relating to travel; travel route planning; arranging travel tours; arranging escorts for travelers; travel and tour ticket reservation services; computerised reservation services for travel; arranging and conducting tours and excursions; arranging and booking of holidays, travel, tours, cruises, and vehicle hire; arranging for travel visas, passports and travel documents for persons travelling abroad; ...priority boarding, check-in, seating and reservation services for frequent air travelers; consultancy in the field of travel provided by telephone call centers and*



*hotlines; ...online transportation check-in services; online airline check-in services; preferential passenger check-in services; issuance of electronic boarding pass.*

40) Mr Stobbs submitted that a travel agency provides travel and tourism related services on behalf of suppliers and they help customers choose and arrange their holiday and travel arrangements. He submitted that, as a result, there is overlap between the provision of air transportation services and travel agency services insofar as they relate to air travel. I agree that customers of air transportation services may access them through a travel agency. The provision of air transportation may include booking direct with the provider or booking via a travel agent and therefore, there is an element of competition. However, air transportation is different in nature to travel agency services. Further, the intended purpose of the former is to transport goods/people by air, whereas, the purpose of the latter services is to match traveller requirements to travel providers. Methods of use are essentially different, with customers accessing travel agency services in a physical building or online, whereas air transportation services are accessed at airports and involves transport by air. Taking all of this into account, I find that there is a medium degree of similarity where the listed services:

- (i) can include services for the booking or arranging of air transportation;
- (ii) would be expected, by the average consumer, to be provided by the same provider of air transportation services, as part of a parcel of services e.g. transfer to and from airports:

These services are:

*Travel arrangement; travel agency; travel agency and booking services; booking agency services for travel; travel agency services for arranging travel; travel agency services for business travel; travel agency services for arranging holiday travel; arrangement of flights and flight planning services; booking agency services for airline travel; arranging and booking of flights; arranging and booking of travel by private jet; booking of seats (travel); ...; ...; ... travel agency services, namely, making reservations and bookings for transportation; travel arrangements for First Class and Business Class*

*travelers; arrangement of travel and transfers to and from hotels; arrangement of travel and transfers to and from airports; planning, arranging and booking of travel; travel services; travel reservation; travel consultancy; travel guide and travel information services; providing travel information via global computer networks; providing information about travel, via the Internet; planning and booking of travel and transport, via electronic means; providing transport and travel information via mobile telecommunications apparatus and devices; itinerary travel advice services; timetable enquiry services relating to travel; travel route planning; arranging travel tours; arranging escorts for travelers; travel and tour ticket reservation services; computerised reservation services for travel; ...; arranging and booking of holidays, travel, tours, ...; priority boarding, check-in, seating and reservation services for frequent air travelers; consultancy in the field of travel provided by telephone call centers and hotlines; ...online transportation check-in services; online airline check-in services; preferential passenger check-in services; issuance of electronic boarding pass.*

41) The remaining services are:

*... arranging and booking of coach travel; arranging and booking of travel by bus; arranging and booking of tours and cruises; ... arranging and conducting of tours and excursions...; ...arranging and conducting tours and excursions; arranging and booking of ..., cruises, and vehicle hire; arranging for travel visas, passports and travel documents for persons travelling abroad; ....*

42) These services are not in the form of air transportation nor are they services that the average consumer is likely to expect an air transportation provider to offer. If there is any similarity it is only in the very general sense that the respective services all relate to travel. I find that any similarity is only very low.

*Storage of luggage; collection of luggage*

43) Mr Stobbs submitted that these services are a common part of the overall service of providing air transportation of passengers and that these services are identical or at least highly similar. Neither storage nor collection are services naturally understood to be covered by the term air transportation and, therefore, I find that they are not overlapping or identical. They are different in nature, purpose and methods of use, and neither are they in competition. However, I accept that there may be common trade channels, but this alone will lead to only a low level of similarity.

*Wrapping services for baggage protection during travel*

44) Similar considerations apply in respect of these services and I find that these services share a low level of similarity to the opponent's services.

*Parking place rental; rental of cars, airplanes, ships and boats; car rental; rental car reservation services*

45) Mr Stobbs submitted that such services are part of the air travel experience or at least complementary. He claimed that passengers often require car rental for their onward journey and that it is often the case that these are provided by the airline or their partners. There is no evidence that airlines also provide such services. There is a clear similarity to the applicant's rental of airplanes and there is at least a medium level of similarity. Any similarity with the remaining services is less obvious. I disagree that they are complementary to the opponent's services. One is not indispensable or important to the provision of the other in the *Boston Scientific* sense. There is some similarity of nature, intended purpose and method of use, but only in a general sense that they all relate to transportation. There may be some limited competition where a customer may have a choice whether to utilise an air transportation service or rent a ship or boat, but such competitive choices must be relatively rare for the ordinary consumer who is likely not to have the means to rent a ship. I conclude that any similarity is low.

*Packaging and storage of goods*

46) Mr Stobbs made no submissions regarding this term and it is not obvious to me that these services share any similarity to the opponent's services. Accordingly, I find that there is no similarity.

**Class 41**

*Arranging and conducting of conferences; organisation of conferences, exhibitions, meetings and competitions; arranging and conducting conferences; arranging and conducting of exhibitions; arranging and conducting of meetings.*

47) Despite Mr Stobbs submitting that it is common for passenger transit lounges to include meeting rooms, I find that there is little obvious similarity. In terms of:

**Nature:** there is no similarity because one is the provision of a room or similar physical space, whilst the other is the arrangement and the conducting of meetings;

**Intended purpose:** passenger lounges are a space for passengers to relax and possibly obtain snacks and refreshments whereas arranging and conducting of meeting is a service directed at facilitating business activities through meetings. They have different purposes;

**Method of use:** passenger lounges are accessed by users whilst awaiting their flights. The service of arranging and conducting meetings are used usually by business persons for the conduct of meetings where an element of privacy and absence of distraction is required;

**Trade channels:** it is not normal that a meeting room provider will also provide transit lounge facilities and whilst Mr Stobbs submits that the opposite is common, there is no evidence that this is so and I, therefore, dismiss this submission.

48) Further, these services are not obviously in competition nor are they complementary in the *Boston Scientific* sense. Taking all of this into account, I conclude that the respective services are not similar.

## **Class 43**

*Arranging and/or providing meals for travellers.*

49) Mr Stobbs submitted that it is common for passenger transit lounges to provide meals, cafes etc. I accept that this is the case and I conclude that there is the potential for overlap of trade channels and consequently there may be an element of competition where the consumer may make a choice of availing themselves to the food available in a transit lounge or using a food provider external to the lounge. However, the respective services are different in terms of nature, intended purpose and trade channels. Further, they are not complementary. I conclude that there is a level of similarity, but it reasonably low.



### **Comparison of marks**

50) It is clear from *Sabel BV v. Puma AG*, Case C-251/95 (particularly paragraph 23), Case C-251/95, 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.”

51) It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take account of 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.

52) The respective marks are shown below:

Opponent's mark	Applicant's mark
 <p>The logo for Delta Sky Club. It features a red triangle pointing upwards to the left, followed by the word "DELTA" in blue, uppercase letters. Below "DELTA" is the phrase "SKY CLUB" in a larger, blue, uppercase font. A thin horizontal line is positioned below the text.</p>	 <p>The logo for SkyClub. It consists of the word "SKYCLUB" in a white, italicized, sans-serif font. The letters are enclosed within a white, stylized outline that resembles the tail and wing of an aircraft, set against a dark blue rectangular background.</p>

53) The opponent's mark consists of a device (in the form of two chevron type devices, placed one above the other and both coloured red), the word DELTA and the words SKY CLUB. In his supplementary written submissions, Professor Engelman submitted that "delta" is descriptive of an aircraft wing/sail shape. I dismiss this because there is no evidence that the average consumer will perceive this. It is possible that it will be perceived as the fourth letter of the Greek alphabet, describing the flat sedimentary land at the mouth of a river or the letter "D" in the NATO alphabet. All are more likely to be perceived than is a delta wing or sail and the word is distinctive in the context of the mark as a whole. Professor Engelman also submits that the term "Sky Club" is descriptive of Class 39 services. I disagree. I discuss this later when considering conceptual similarity and it is sufficient that I record here that it is no more than allusive. Therefore, I find that all the elements are distinctive and contribute to the overall impression. The words SKY CLUB are presented in a larger font than the word DELTA and, further the device, whilst presented at the top left of the mark, is relatively small compared to both the other elements. As a consequence of this presentation, the words SKY CLUB shares equal dominance in the mark with the DELTA element.

54) The applicant's mark consists of the words "SkyClub" encompassed within the device of plane created from the elongated tail of the letter "y" in the word "Sky". These elements are in white and presented against a dark background and both

contribute to the distinctive character of the mark. However, it is the words SkyClub that are the dominant and distinctive element by virtue of being the element that is central in the mark.

55) Visually, the marks share similarity because they both include the words “Sky Club”. In the applicant’s mark, the two words are conjoined, but because both words have capitalised first letters (the rest in lower case), the visual impression is of the term “Sky Club”. The marks differ in all other respects, including the fact that in the opponent’s mark, the “SKY CLUB” element is presented in capital letters, that it also contains the word DELTA and a device element. Professor Engelman identified the different case that the respective SKY CLUB elements are presented and, further, he submitted that the “Sky Club” element in the applicant’s mark has to be picked out from the aircraft device element. To a degree, I agree, but I have already found, the word element is dominant and this results in minimal “picking out” being required. Taking all of this into account, I conclude that despite the differences, the similarity is sufficient to result in the respective marks sharing a medium level of visual similarity.

56) Aurally, it is only the word elements of the respective marks that are relevant. The opponent’s mark consists of the four syllables DEL-TAA-SKY-CLUB and the applicant’s mark consists solely of the syllables SKY-CLUB. Therefore, the applicant’s mark aurally coincides with the opponent’s mark in that its two syllables are present as the last two of the four syllables of the opponent’s mark. I find that this results in a medium level of aural similarity. Again, Professor Engelman referred to the alleged non-distinctive character of the verbal elements. I have already dismissed this line of argument.

57) Conceptually, Professor Engelman submits that the device element present in the opponent’s mark reinforces the alleged descriptive meaning of the word “Delta” in respect of aircraft. I do not agree. As I have already found, the average consumer is unlikely to make the connection and certainly, there is no evidence to support such a claim. The device element is likely to convey little by way of a concept and not likely to play any part in the conceptual impression. The words present in the mark create two distinct concepts: the word “Delta” is likely to be perceived as either the

fourth letter of the Greek alphabet, a description of the flat sedimentary land at the mouth of a river or the letter “D” in the NATO alphabet. This is a concept absent in the applicant’s mark. Additionally, both marks contain the element “Sky Club” that is likely to be understood, loosely, as a club relating to the space above the earth. I disagree with Professor Engelman when he submits that the term is descriptive. The concept of a club related to sky is too vague to be descriptive and I would put it no more than allusive. The device of an aircraft in the applicant’s mark may reinforce this allusion but does not elevate it to a descriptive term. I also reject Professor Engelman’s submission that the average consumer will perceive the opponent’s mark as indicating some form of sailing club (utilising delta shaped sails). I find this to be very unlikely in light of my findings regarding the average consumer’s perception of the word “DELTA” and the phrase “SKY CLUB”. Taking all of this into account, I conclude that the marks share a medium to high level of conceptual similarity.

#### ***Average consumer and the purchasing act***

58) 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*.

59) 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.”



60) The applicant's goods and services and the services of the opponent will cover a broad spectrum of average consumers with, for example, air transportation being provided to ordinary members of the public as well as to businesses and professionals needing to transport goods. The average consumer for the applicant's *providing meals for travellers* is likely to be ordinary members of the public whereas the provision of office functions, for example is likely to be aimed at business customers who will carefully consider providers of such services. Therefore, the level of care and attention paid by this broad spectrum of consumers is likely to be correspondingly broad with some purchases being quite casual in nature and without a great deal of thought to services that are procured only after a detailed assessment of the prospective providers and the suitability of the service offering to meet the requirements of the purchaser. In all cases, visual aspects are likely to dominate the purchasing process, but I don't disregard that aural considerations may play a part in certain circumstances.

### ***Distinctive character of the earlier trade marks***

61) 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).”

62) The opponent has not provided any evidence and, therefore, no claim to an enhanced distinctive character of its mark. Consequently, I only have to consider its inherent distinctive character. As I recorded earlier, its mark consists of three distinct elements, a device, the word DELTA and the term SKY CLUB. The device and the word DELTA are unlikely to be perceived as having any connection to the services of the registration. The term SKY CLUB is vaguely allusive (as discussed earlier). Taking all of this together, I find that the mark, when considered as a whole is endowed with medium to medium-high level of distinctive character.

#### **GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion**

63) The following principles are obtained from the decisions of 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:

(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.

64) 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). These factors must be assessed from the viewpoint of the average consumer who rarely has the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind. Confusion can be direct (which 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 and goods down to the responsible undertakings being the same or related).

65) I have found that the applicant's:

- *office functions* in Class 35;
- *packaging and storage of goods* in Class 39, and;
- *Arranging and conducting of conferences; organisation of conferences, exhibitions, meetings and competitions; arranging and conducting conferences; arranging and conducting of exhibitions; arranging and conducting of meetings* in Class 41,

are not similar to the opponent's services. A degree of similarity of goods or services is essential for there to be a finding of a likelihood of confusion (see *Waterford Wedgwood plc v OHIM – C-398/07 P* (CJEU); and *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA at [49]). Consequently, there is no likelihood of confusion in respect of these services.

66) I have also found that:

- The similarity of the remaining goods and services varies from very low to being identical;
- The words "Sky Club" shares equal dominance with the word DELTA in the opponent's mark as it is the dominant and distinctive element of the applicant's mark;

- The respective marks share a medium level of visual and aural similarity and a medium to high level of conceptual similarity;
- There is a broad spectrum of average consumers ranging from ordinary members of the public to businesses or professionals. The degree of care and attention paid during the purchasing act will be correspondingly broad;
- The purchasing process is likely to be visual, but I recognise that aural considerations may play a part;
- The opponent's mark has medium to medium-high level of inherent distinctive character and that this has not been enhanced through use.

67) Factoring all of the above into my considerations, I am of the view that the visual differences between the marks are sufficient for the various average consumers to distinguish between them even where imperfect recollection is factored in. I conclude that there is no likelihood of direct confusion.

68) However, I must also consider if there is a likelihood of indirect confusion. The difference between the two types of confusion was explained by Mr Iain Purvis Q.C., sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10:

“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.

69) In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, 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.

70) In the current case the “Sky Club” shares equal dominance with the word DELTA in the opponent’s mark and it is the dominant distinctive element in the applicant’s mark. As a result, whilst the marks are readily distinguishable as a result of their visual differences, the common occurrence of “Sky Club” is likely to create a link in the minds of the consumer. This link is likely to be strong enough that the average consumer will believe that services provided under the marks, insofar as they share a medium degree of similarity or higher, originate from the same or linked undertaking. I have kept the comments of Mr Mellor in mind, but make this finding based upon the similarity of the respective services, the prominence of the “Sky Club” element in both marks. Further, whilst the “Sky Club” element carries with it some allusions of a club in the sphere of air travel, it is endowed with a reasonable level of distinctive character, the differences in the marks, when viewed as a whole, are not sufficient to dispel the impression of this element upon consumer.

71) Therefore, I find there is a likelihood of indirect confusion in respect of the following of the applicant’s services:

**Class 39:** *Transport; ...travel arrangement; travel agency; travel agency and booking services; booking agency services for travel; travel agency services for arranging travel; travel agency services for business travel; travel agency services for arranging holiday travel; arrangement of flights and flight planning services; booking agency services for airline travel; arranging and booking of flights; arranging and booking of travel by private jet; booking of seats (travel); ... transport of travelers by ..., air ...; chartering of ..., aircraft ...; agency services for arranging the transportation of travelers; agency services for arranging the transportation of travelers’ luggage;...; travel agency services, namely, making reservations and bookings for transportation; travel arrangements for First Class and Business Class travelers; arrangement of*

*travel and transfers to and from hotels; arrangement of travel and transfers to and from airports; planning, arranging and booking of travel; travel services; travel reservation; travel consultancy; travel guide and travel information services; providing travel information via global computer networks; providing information about travel, via the Internet; planning and booking of travel and transport, via electronic means; providing transport and travel information via mobile telecommunications apparatus and devices; itinerary travel advice services; timetable enquiry services relating to travel; travel route planning; arranging travel tours; arranging escorts for travelers; travel and tour ticket reservation services; computerised reservation services for travel; ...arranging and booking of holidays, travel, tours...; priority boarding, check-in, seating and reservation services for frequent air travelers; consultancy in the field of travel provided by telephone call centers and hotlines; ... rental of ..., airplanes,...; online transportation check-in services; online airline check-in services; preferential passenger check-in services; issuance of electronic boarding pass.*

72) I find that the greater distance between the applicant's remaining goods and services and the services of the opponent is sufficient to create doubt in the mind of the consumer and the link, if made, will be no more than bringing the other mark to mind. Consequently, I find that there is no likelihood of confusion in respect of the applicant's remaining goods and services, namely:

**Class 16:** ...; *in-fight [sic] magazines; ...*

**Class 35:** ...; *office functions; ...; loyalty, incentive and bonus program services; loyalty scheme services; organisation, operation and supervision of customer loyalty schemes; management of customer loyalty, incentive or promotional schemes; customer loyalty services for commercial, promotional and/or advertising purposes; consumer loyalty card and loyalty scheme services; ...*

**Class 39:** ...; *packaging and storage of goods; ...; arranging and booking of coach travel; arranging and booking of travel by bus; arranging and booking of*

*tours and cruises; ... transport of travelers by road, land, bus, train, car, taxi, tram, ... and sea; chartering of land vehicles, ... or boats; chauffeur services;... storage of luggage; collection of luggage;... arranging and conducting tours and excursions;... arranging and booking of ..., cruises, and vehicle hire; arranging for travel visas, passports and travel documents for persons travelling abroad; wrapping services for baggage protection during travel;... parking place rental; rental of cars, ..., ships and boats; car rental; rental car reservation services*

**Class 41:** *...; arranging and conducting of conferences, ...; organisation of conferences, exhibitions, meetings and competitions; arranging and conducting conferences; arranging and conducting of exhibitions; arranging and conducting of meetings.*

**Class 43:** *...; arranging and/or providing meals for travellers; ...*

### **Concurrent use**

73) Having found that a prima facie likelihood of confusion exists in respect of the list of the applicant's services identified at paragraph 70, the only factor that could save that part of the application is the existence and effect of concurrent use. This defence was first aired by Professor Engelman in his skeleton argument and fleshed out in his supplementary written submissions. No leave was sought to amend the counterstatement to add a claim of concurrent use. As Mr Stobbs submits, such a late introduction into the proceedings is unacceptable and not permitted and I reject this defence for this reason. Further, it is based upon comments made in the without prejudice letter that has been struck-out. However, even if I am wrong in respect of both of these reasons, it is my view that it would have failed on its merits.

74) Professor Engelman invited me to draw an adverse inference to the opponent's failure to file evidence, without satisfactory reasons. He claims that:

- when required to indicate whether its mark had been used, the opponent used the tick box on the Form TM7 to indicate that it had;



- The opponent claimed a reputation for the purposes of section 5(3);
- Mr Stobbs' submission that the DELTA element of the opponent's mark is its house mark can only be correct in circumstances where it can be claimed as such because of the use made of it, and;
- Finally, the admission made in the letter, now found to have been "without prejudice."

75) These claims are not persuasive for the following reasons:

- The opponent is wholly permitted to run its case based upon what it believes to be its strongest grounds. Its choice to drop the grounds based upon section 5(3) and, therefore, not to provide evidence of its reputation may have legitimately been made for a number of other reasons. As Mr Stobbs submits, there is no onus on the opponent to file evidence in these proceedings. Further, the applicant actively declined to put the opponent to proof of use by indicating "no" at the appropriate tick box on the Form TM8;
- Indicating that it had used the earlier mark is not an admission that the circumstances for concurrent use have been satisfied;
- Use of the mark DELTA to the extent that it now functions as a house mark is an independent consideration where such use may be sufficient for DELTA to be perceived as a house mark without it impacting further on the issues before me, and;
- Finally, as I found earlier, the without prejudice letter does not contain the admission that Professor Engelman claims.

76) Professor Engelman submits that it should not be possible to defeat an application by refusing to file evidence of use. As Mr Stobbs has pointed out, there is no requirement for the opponent to file evidence in bringing a section 5(2)(b) case where it has not been put to proof of use. Further, and importantly, it was open to the applicant to provide its own evidence of the presence of the opponent's mark on the market in an attempt to make good a claim to concurrent use. It made no such claim until the skeleton arguments and provided no such evidence. In the circumstances, it

is not acceptable for the applicant attempt to circumvent shortcomings in its own evidence by requiring the opponent to file evidence.

77) In the second bullet point in paragraph 75, I refer to circumstances that need to be satisfied before concurrent use can be found. As Mr Stobbs submits evidence of use would not have been sufficient, but rather additional evidence would have been required relating to the nature, extent of use, scale of use, the nature of the consumer and the existence of overlapping markets and that despite all this there was an absence of a likelihood of confusion. For a defence of concurrent use to be successful, it is necessary for me to be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin (see to that effect the Court of Appeal in *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 at page 291, Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at 809 and the Court of Appeal in *Phones 4U Ltd v Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45 and Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18). In running the arguments regarding the opponent's failure to provide evidence, Professor Engelman implicitly accepts that these conditions are not made out.

78) For concurrent use to be of assistance to an applicant I must, therefore, be satisfied that the effect of concurrent trading has been such that the relevant public has shown itself able in fact to distinguish between goods/services for which the marks are associated i.e. without confusing them as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience and that the use by the parties in nature, extent and duration of trade has been sufficient to satisfy me that any apparent capacity for confusion has been adequately tested and found not to exist. In the absence of evidence from EITHER side, this claim will have failed.

## Summary

79) The opposition is successful to the extent set out in paragraphs 71 and 72, above.

## Costs

80) The opponent has been partially successful. Awards of costs are normally made on a contributory basis as set out in the scale published in Tribunal Practice Notice 2/2016. Professor Engelman submitted that the applicant should be entitled to an award of off-scale costs because:

- of his allegation that opponent tactically failing to file evidence after pleading a case based upon use of its mark;
- the alleged admission of honest concurrent user in the without prejudice letter, and;
- of advancing a case on confusing similarity whilst allegedly admitting, in the same letter, no such confusing similarity exists.

81) I rejected all three of these submissions earlier in my decision and I reject reliance upon these points for the purposes of costs.

82) Mr Stobbs also asks that I take account that:

- the applicant sought to rely upon without prejudice material to support its case;
- pleaded a narrow case and then ignored its own pleadings throughout;
- changed its position from its pleadings through to the skeleton arguments, the partial hearing and the subsequent written submissions;
- whilst it is unfortunate that the hearing was not completed, Mr Stobbs submitted that the applicant should not have to bear the additional costs of the written submissions.

83) I accept that the first of these points required additional submissions to be made at the hearing, however, this could have been avoided if the applicant had raised its concerns at the time the evidence was served. It chose not to and challenged the document only at the end of the proceedings. Consequently, it is not appropriate to award costs in respect of any additional work in preparation for the hearing. With regard to the second and third points, I have already discussed these and concluded that they have not resulted in increased cost in running the opponent's case. In respect of the fourth point, it was not the fault of either party that the hearing was foreshortened, and, under the circumstances, it would not be appropriate for the applicant to be penalised.

84) In the circumstances, with the outcome of my decision being both parties achieving a level of success, I direct that each party bears its own costs.

**Dated this 26<sup>th</sup> day of March 2020**

**Mark Bryant**  
**For the Registrar**  
**The Comptroller-General**



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Dear Sirs,

25<sup>th</sup> April, 2017

-nw  
17-0275

**RE: Ontro Limited**  
**UK Trade Mark Application 3213230 SkyClub & device**  
**Our Ref: T77 0310**

We act for Delta Air Lines, Inc. Our clients have been made aware of the advertisement of your clients application referred to above on 17<sup>th</sup> March, 2017. Our clients are the owners of EU trade mark registration 8149941 DELTA SKY CLUB, the details of which we enclose.

Our clients are aware of your clients registration 2552169 for the same mark as the one now advertised covering, in effect, travel agency services in class 39. Our clients registration and your clients earlier mark appear to have co-existed satisfactorily for a number of years. We anticipate this is because the respective services under the two existing registrations are sufficiently different. Our clients are concerned about the new application, particularly in relation to class 39 services. The scope of the services now applied for goes far beyond the original registration. You will understand that our clients are concerned that the services which have been applied for cover more than the actual activities which your clients undertake.

In order to alleviate their concerns our clients have asked us to propose a co-existence agreement between our clients and yours in order that the parties can establish an understanding about the scope of use of their respective marks. In particular, our clients would look to your clients to limit the services applied for in class 39 to more closely match your clients business which we understand to be in a travel agency. Our clients would want your clients to agree to display their mark according to its current design elements so as to avoid the risk that it may be confused with our clients mark. We believe that your clients business is confined to the UK and our clients ask for your clients to confirm that they do not propose to use or register their mark outside of the UK.

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Our clients would be willing to confirm that they will not use their mark in a manner containing graphic elements that are similar to those of your clients mark.

We would be obliged to hear from you that your clients are willing to enter into a co-existence arrangement with our clients as outlined bearing in mind the initial opposition deadline of 17<sup>th</sup> May, 2017.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Farrington'.

GRAHAM FARRINGTON  
Trade Mark Attorney

Enc.  
GF/LH