

O/1048/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3615702  
BY THYSSENKRUPP STEEL EUROPE AG  
TO REGISTER THE FOLLOWING TRADE MARK:

**smart steel**

IN CLASSES 40 & 42

AND

IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 426106  
BY ARCELORMITTAL

## **Background and pleadings**

1. On 24 March 2021, ThyssenKrupp Steel Europe AG (“the applicant”) applied to register the trade mark **smart steel** in the UK, under number 3615702 (“the contested mark”). The application claims a priority date of 30 September 2020 from the German Patent and Trade Mark Office. Details of the application were published for opposition purposes on 2 July 2021. Registration is sought for the following services:<sup>1</sup>

Class 40: Waste, sewage and pollutant processing, recycling of waste, sewage, scrap and garbage.

Class 42: Architectural services for products of steel and erection of plants for the production of steel; design and development of computer hardware and software for controlling plants for the production of steel; chemist services for products of steel and the production of steel; technical draftsman services for products made of steel and the construction of facilities for the production of steel; surveying services for products made of steel and the construction of facilities for the production of steel; civil engineering services for products of steel and erection of plants for the production of steel; engineering services for products of steel and plants for the production of steel; remediation of contaminated sites, namely design of remediation measures to clean up sites after steel production; mining engineering services; construction design services for products made of steel and the construction of facilities for the production of steel.

2. On 10 August 2021, ArcelorMittal (“the opponent”) opposed the application in full under sections 3(1)(b), 3(1)(c) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”).

3. Under sections 3(1)(b) and 3(1)(c) of the Act, the opponent’s pleaded case is essentially that the contested mark consists of two dictionary words which, in

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<sup>1</sup> I note that registration was originally sought for a wider range of goods and services in classes 6, 40 and 42 and that all of these initially formed the subject of this opposition. However, as a result of decision number BL O/858/22, issued on 4 October 2022, the contested mark has been refused registration for a number of these goods and services. As such, I will focus only upon the remaining services of the application.

combination, convey a direct and specific reference to a characteristic of the services, namely, that they “derive from, consist of or otherwise relate to “intelligent”, streamlined or computer-driven steelmaking processes”. On this basis, the opponent submits that the contested mark consists exclusively of a descriptive sign which is devoid of any distinctive character.

4. For the purposes of its claim under section 5(2)(b), the opponent relies upon its comparable UK trade mark number 918161239,<sup>2</sup> **ArcelorMittal SmarterSteels** (“the earlier mark”). The earlier mark was filed on 4 December 2019 and became registered on 22 May 2020 in respect of the following goods and services, all of which are relied upon for the purposes of the opposition:

Class 6: Common metals and their alloys; unwrought and semi-wrought steels; steels, stainless steels, carbon steels, coated steels particularly coated or hardened steels, chrome-plated steels, galvanized steels, electro-galvanized steels, lacquer-coated steels; all goods made of these materials not included in other classes in the form of sheets, plates, foils, strips, blanks, binders, reels, bands, profiled strips, slabs, joists, discs and billets; metal forgings, metal moldings.

Class 12: Structural metal parts for land vehicles, namely, body-in-white (BIW), vehicle chassis, vehicle underbody components, automobile bumpers, hoods, fenders, tailgates and body shell sides as structural parts on which car bodywork components are attached; roof panels for land vehicles, suspension systems for automobiles, body frames for land vehicles, vehicle wheels, metal land vehicle axles, vehicle front end and back end wheel hub assemblies; metal structural parts comprising dash panel cross members, seat cross members, tunnels, front side members, roof rails, b-pillars, side sills, A-pillars, rear cross members, rear side members, centre bearings, making up the vehicle

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<sup>2</sup> On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all right holders with an existing EUTM. As a result of the opponent’s EUTM number 18161239 being registered as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable UK mark is now recorded on the UK trade mark register, has the same legal status as if it had been applied for and registered under UK law, and retains its original EUTM filing date.

passenger compartment; cross pieces in the form of metal parts connecting the two sides of vehicles; load beams for land vehicles; and land vehicle motors.

Class 40: Treatment of common metals and their alloys; treatment of steels; treatment of metals, namely, any mechanical transformation of the properties and characteristics of metals, direct reduction of iron, metal tempering, finishing metal surfaces, soldering, casting, anodizing, chrome-plating, sintering, electro galvanizing, phosphatizing, milling, shaping, tin-plating, galvanizing, nickel plating, rolling, armour plating, cutting, polishing, magnetizing, plating, cupping, stripping, soldering of metals, metal coating and recycling of metal goods; and treatment of metal during the manufacturing process, namely, metal forging, pressing, deburring, machining, rolling and forming work, vacuum treatment, nitriding, and assembly of metal profiles.

5. Given the respective filing dates, the opponent's mark is an earlier mark in accordance with section 6 of the Act. As the earlier mark had not completed its registration process more than five years before the priority filing date of the contested mark, it is not subject to the proof of use provisions specified in section 6A of the Act. Consequently, the opponent is entitled to rely upon all the goods and services of the earlier mark, without having to demonstrate genuine use.

6. In its notice of opposition, the opponent argues that the contested mark is similar to its earlier mark. Further, it contends that the parties' respective goods and services are identical or similar. Based upon these factors, the opponent submits that there is a likelihood of confusion.

7. The applicant filed a counterstatement denying the grounds of opposition.

8. In response to the opponent's claim under sections 3(1)(b) and 3(1)(c), the applicant accepts that the contested mark comprises two English words.<sup>3</sup> However, it denies that the combination of the words conveys a direct and specific reference to characteristics of the services. At worst, it says, the contested mark could be said to

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<sup>3</sup> Applicant's counterstatement, §19

be suggestive of qualities of the services. The applicant argues that the mark possesses distinctive character and is capable of identifying the services for which registration is sought as originating from a particular undertaking. As such, the applicant denies that the contested mark is exclusively descriptive or devoid of distinctive character.

9. As for the opponent's claim under section 5(2)(b), the applicant admits that some of the parties' respective class 40 services are similar.<sup>4</sup> However, it denies that there is any similarity between its remaining services and those of the earlier mark. Moreover, the applicant denies that the competing marks are similar. As a result, notwithstanding its partial concession, the applicant disputes the existence of a likelihood of confusion.

10. Only the opponent filed evidence. A hearing was requested and held before me, by video conference, on 15 September 2022. The opponent was represented by Michael Conway of Haseltine Lake Kempner LLP. The applicant has been represented throughout these proceedings by Baron Warren Redfern, though it elected not to attend the hearing or to file written submissions in lieu.

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive and, therefore, this decision continues to refer to the trade mark case law of the EU courts.

## **Evidence**

12. The opponent's evidence consists of the witness statement of Michael Conway, dated 1 March 2022, together with exhibits MC1 to MC9. Mr Conway is a Chartered Trade Mark Attorney with the opponent's professional representatives. He provides background about the opponent's business and the term "smart manufacturing", as well as artificial intelligence and machine learning in the steel industry. Mr Conway also evidences what he considers to be descriptive use of the contested mark. The

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<sup>4</sup> Applicant's counterstatement, §5

evidence, which consists exclusively of printouts from websites and publicly available documents which can be accessed via the internet, appears to be the result of his own internet searches.

13. I have read all of the evidence and will return to it to the extent I consider necessary in the course of this decision.

**Sections 3(1)(b) and 3(1)(c)**

14. The relevant parts of section 3(1) of the Act are as follows:

“3(1) The following shall not be registered –

(a) [...]

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) [...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

15. The relevant date for determining whether the contested mark is objectionable under the above provisions is the priority filing date claimed by the contested application, that being 30 September 2020.

16. The position under the above grounds must be assessed from the perspective of the average consumer, who is deemed to be reasonably observant and circumspect.<sup>5</sup> The relevant public will vary depending on the particular goods or services concerned. In this case, it appears to be common ground between the parties that the relevant public is likely to consist of professionals or specialists in the engineering, mineral or steel industries. The applicant has added that such consumers would be very knowledgeable, which I did not understand to be in dispute from Mr Conway's submissions at the hearing. Having regard to the services at issue in these proceedings, generally, I consider this to be a sensible position. However, I should add that, in relation to some services (such as, for example, the recycling and processing services in class 40), the average consumer is likely to include a broader spectrum of commercial or professional users, i.e. the average consumer of such services will not be limited to only specialists in the specified areas of industry and could be purchased by any business with a need for them. These consumers are likely to have less knowledge and expertise.

17. I bear in mind that the above grounds are independent and have differing general interests. It is possible, for example, for a mark not to fall foul of section 3(1)(c) but still be objectionable under section 3(1)(b).<sup>6</sup> However, where a mark is descriptive of services, it necessarily lacks the required distinctiveness to avoid objection under section 3(1)(b).

18. As the opponent's pleaded case under 3(1)(b) appears to be inextricably linked to its claim under section 3(1)(c), i.e. that the contested mark describes a characteristic of the services, it is convenient to begin with an assessment of the latter.

### **Section 3(1)(c)**

19. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J.

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<sup>5</sup> *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04

<sup>6</sup> *SAT.1 SatellitenFernsehen GmbH v OHIM*, Case C-329/02 P, paragraph 25

(as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks ( OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94, see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18, paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461, paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia, *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44, paragraph 45, and *Lego Juris v OHIM* (C-48/09 P), paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods



or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM (C-80/09 P)*, paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it

will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56).”

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”

20. In *Campina Melkunie BV and Benelux-Merkenbureau*, Case C-265/00, the Court of Justice of the European Union (“CJEU”) stated that:

“39. As a general rule, the mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics within the meaning of Article 3(1)(c) of the Directive even if the combination creates a neologism. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

40. However, such a combination may not be descriptive within the meaning of Art.3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition will have to be satisfied as regards both the aural and the visual impression produced by the mark.

41. Thus, a mark consisting of a neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of

which registration is sought, is itself descriptive of those characteristics within the meaning of Art.3(1)(c) of the Directive, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.”

21. In its statement of grounds, the opponent submitted:

“The Application is for a word mark consisting of two English dictionary words: SMART and STEEL.

The word SMART means “intelligent”, “done with intelligence or careful thought” or, in connection with products or processes, “using computer technology to make them more effective”.

The word STEEL means “a strong metal made from a mixture of iron and carbon”.

The combination of the respective words SMART and STEEL with their ordinary meanings as set out above is likely to be perceived by consumers as a mere sum of its parts, relaying a direct and specific reference to a characteristic of the [...] services, namely that the [...] metal treatment services and architectural, design, research, construction and mining services covered by the application derive from, consist of or otherwise relate to “intelligent”, streamlined or computer-driven steelmaking processes.”

22. In its counterstatement, the applicant submitted:

“19. The Applicant accepts that opposed mark is made up of two English words, however it denies that the combination of these words is the mere sum of its parts.

[...]

24. The Applicant denies that the combination of the words smart and steel convey a direct and specific reference to the characteristics of the [...] services mentioned above as this is not the normal way to refer to those [...] services.

[...]

25. The Applicant submits that the combination of smart and steel gives rise to a mark which the relevant consumers do not automatically, without further thought, consider it describes or refers to a range of [...] services comprising those in classes [...] 40 and 42 of the opposed mark. The smart steel mark is more than the sum of its parts.

26. At worst, the mark could be said to be suggestive of the qualities of the [...] services.

[...]

28. It is submitted that the Registrar took the view that the opposed mark was registrable as neither a Section 3(1)(b) or 3(1)(c) objection were raised during examination.”

23. Firstly, the mere fact that the Registrar would have considered whether any absolute grounds for refusal existed *ex parte*, prior to the acceptance for registration of the contested mark, and decided that it was registrable, is not a factor to which I can, or should, attach any weight. This is because in *inter partes* proceedings the Registrar must act as an independent tribunal and judge the matter purely on the basis of the arguments and evidence presented in those proceedings.

24. The contested mark comprises the words ‘smart steel’. The overall impression of the mark lies in the combination of these words, i.e. they form a phrase with a unitary meaning.

25. The individual words which constitute the mark are both ordinary, dictionary defined words. The word 'smart' has a number of meanings, including, *inter alia*, (systems) operating as if by human intelligence by using automatic computer control, and (electronic devices) using digital communication technology to provide functions of a computer, such as internet access.<sup>7</sup> Steel is a strong metal mainly made from iron.<sup>8</sup> I consider that these would be the meanings ascribed to the words by the average consumer. In combination, the adjective 'smart' qualifies the noun 'steel'. It is my view that the most likely impression conveyed to the average consumer from the combination of these words would be a reference to steel which is, in some way, ameliorated by the use of technology. However, the adjective 'smart' does not readily lend itself to describing the word 'steel' in any obvious sense, as it does with, for instance, network-enabled devices such as smartphones. There is no evidence before me which demonstrates that steel, as a material or product, can be 'smart'. As such, the combination of the words will strike the average consumer as unusual and somewhat fanciful.

26. In any event, steel, as a good, does not form the subject of the opponent's claim. It is possible that the average consumer may perceive the individual words which comprise the contested mark as being meaningful in isolation, with the word 'smart' referring to services which are provided in a streamlined or computer-driven way and the word 'steel' indicating that they relate to the metal in some way. However, this would require a dissection of the mark and a level of analysis which the average consumer is unlikely to undertake when perceiving the mark. Some services have, at most, a tenuous link to the steel industry. Therefore, it is difficult to envisage the circumstances in which the average consumer would perceive the contested mark as exclusively descriptive. In respect of other services which, on the face of it, appear to have a closer connection to the steel industry, even if the mark was taken to be indicating a quality or characteristic of steel, the meaning it conveys in relation to the services is ambiguous and insufficiently direct, i.e. the average consumer would not

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<sup>7</sup> <https://www.collinsdictionary.com/dictionary/english/smart>

<sup>8</sup> <https://www.collinsdictionary.com/dictionary/english/steel>

be able to immediately perceive, without further thought, a descriptive reference to the services or a characteristic thereof.

27. The opponent has attempted to establish that the term “smart manufacturing” is meaningful in the steel industry. On this basis, it has argued that the contested mark would be seen as a descriptive reference to services which relate to smart steelmaking processes. According to Mr Conway, “smart manufacturing” is an established term to refer to manufacturing processes that are enhanced using technology.<sup>9</sup> He provides a range of materials which, he says, define and explain this term.<sup>10</sup> The articles appear to suggest that “smart manufacturing” is a technology-driven approach and refers to the use of smart technology (that which involves computers and machines performing automated tasks) in manufacturing processes. It can also refer to the use of internet-connected machinery to monitor production processes. Some of the articles discuss the connection between “smart manufacturing” and metal fabrication. Further, they suggest that “smart manufacturing” could bring benefits to the steel industry, including increased productivity, higher quality products and less waste. Nevertheless, whilst some of the articles preceded the relevant date, to my mind there is nothing which indicates that any of the articles targeted readers in the UK. Indeed, most appear to be US-facing articles.

28. Articles relating to the use of artificial intelligence and machine learning in the steel sector are also in evidence.<sup>11</sup> However, I note that there is nothing which indicates that the articles targeted readers in the UK, with the exception of that from *Steel Times International*. This article promoted the ‘Artificial Intelligence and Steelmaking Summit’ due to take place on 16 November 2021. Times are listed in Greenwich Mean Time and prices are provided in pound sterling. Professionals in the steel industry were due to share their experiences of “digital manufacturing” at the virtual conference. The article says that “the global steel industry is starting to embrace machine learning technologies for manufacturing steel” under the heading “Taking smart manufacturing to the next level”.

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<sup>9</sup> Witness statement of Michael Conway, §5

<sup>10</sup> Exhibit MC3

<sup>11</sup> Exhibit MC4

29. I find the evidence to support the opponent's contention on the point limited. As noted above, although some articles have been provided which suggest that "smart manufacturing" may be meaningful in the steel industry, and that there appear to be an increasing number of applications for artificial intelligence and machine learning in this sector, for the most part, they do not establish that this is the case in the UK; there is nothing to indicate that the articles originate from UK undertakings or target consumers in the UK. Whilst the article from *Steel Times International* does appear to be UK-facing, it refers to an event that was due to take place on 16 November 2021, i.e. after the relevant date. Even if I were to accept that "smart manufacturing" had a meaning which was widely known amongst the relevant public in the UK at the relevant date, there is no evidence which establishes that, upon encountering the contested mark, the average consumer would immediately understand it to be referring to the application of this concept to the steel industry. In other words, I consider it unlikely that the mark will be understood as a descriptive reference in the manner suggested by the opponent.

30. Mr Conway also gives evidence that it is increasingly common for stakeholders in the steel industry – including manufacturers, industry publications and policymakers – to refer to "smart steel" as a descriptive term for steel manufactured using smart manufacturing techniques; further, that this may involve artificial intelligence, machine learning or 'Big Data' technologies.<sup>12</sup> To support this contention, Mr Conway provides the following:

- A European Commission paper published in 2016.<sup>13</sup> It is entitled 'Smart Steel', 'Research Fund for Coal and Steel: Supporting steelmaking and use in the 21st Century'. The paper outlines the history of steelmaking in Europe and contains case studies of innovative steel-related funded projects. The paper says that "smart manufacturing" concepts for the steel industry are being explored in a number of flagship projects. According to the paper, the "smart factory" of the future will manage all aspects of a manufacturing process

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<sup>12</sup> Conway, §7

<sup>13</sup> Exhibit MC5



through a combination of automation, data sharing and management, and technology. There are no references to “smart steel” in the body of the paper.

- An article from Fives Group, dated 10 June 2018.<sup>14</sup> It is entitled ‘Fives’ smart line for smart steel’ and refers to the World Steel Forum 2018 held in Poland. There is nothing to suggest that the article targeted readers in the UK.
- An article from voestalpine, dated 26 February 2018.<sup>15</sup> It is entitled ‘From Big Data to Smart Steel’ and discusses a data analysis project in the steel manufacturing process. The company is based in Austria and there is no indication that the article targeted readers in the UK.
- A listing on FindAPhD.com for a funded PhD project at the University of Warwick.<sup>16</sup> The PhD project is entitled ‘Smart Steel Processing – The metallurgical key for unlocking next-generation casting technologies’. The listing clearly relates to the UK. However, the printout was obtained after the relevant date and is not otherwise dated.
- The abstract of an article in the *Journal of Cleaner Production*, dated 1 July 2015.<sup>17</sup> The article is entitled ‘Smart steel: new paradigms for the reuse of steel enabled by digital tracking and modelling. There is no indication that this journal is circulated or accessible in the UK.

31. Similar deficiencies arise within Mr Conway’s evidence as to claimed use of the contested mark itself. Much of the evidence provided on the point is either not indicative of use in the UK or post-dates the relevant date. I note, however, the European Commission paper published in 2016, i.e. before the relevant date. At the time of publication, the UK was a member of the EU and, as such, I accept that this paper covers the relevant territory. I acknowledge that ‘Smart Steel’ is the title of the paper, which discusses the application of “smart manufacturing” within the industry as

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<sup>14</sup> Exhibit MC6

<sup>15</sup> Exhibit MC7

<sup>16</sup> Exhibit MC8

<sup>17</sup> Exhibit MC9

well as innovative steel-related projects. Nevertheless, there are no uses of the contested mark within the body of the paper, and the term is not defined or explained therein. Neither is it clear how the title of the paper was intended to have been understood, nor what specific connection it has to the meaning of the term “smart manufacturing”. In my view, there is a distinct lack of clear evidence of descriptive use of the contested mark in the UK. For example, aside from the opponent’s own use of the similar term “smarter steels”,<sup>18</sup> there is no unequivocal evidence of third-party providers of the services at issue using the contested mark as a description of their services or a characteristic thereof. I recognise that it is not necessary that the sign in question is actually used in a way that is descriptive for it to fall foul of section 3(1)(c); it is sufficient, by virtue of the wording of the provision, if the sign could be used for such purposes. However, to my mind the opponent has not demonstrated that there is a proper basis, contrary to my findings above, for concluding that the contested mark may become descriptive for a characteristic of those services in the future.

32. The opponent has not shown that ‘smart steel’ is, or could become, descriptive of a characteristic of the services at issue in these proceedings. Therefore, the opposition based on section 3(1)(c) is dismissed.

### **Section 3(1)(b)**

33. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“29. [...] the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

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<sup>18</sup> Exhibit MC1

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)."

34. Having dismissed the opponent's section 3(1)(c) claim, I will now consider its claim under section 3(1)(b). In the circumstances, I can do so briefly.

35. As noted above, the opponent's pleaded case under this ground makes no independent claim as to why the contested mark is non-distinctive, other than because it is claimed to be descriptive of a characteristic of the services. In its statement of grounds, the opponent stated as follows:

“For similar reasons [as those advanced under section 3(1)(c)], the sign subject of the Application is devoid of any distinctive character [...]. It consists merely of readily understood English dictionary words denoting a particular positive or appealing quality or characteristic of the [...] services. Accordingly, the sign at issue lacks the capacity to distinguish the Applicant's [...] services from those of other undertakings.”

36. As can be seen, there does not appear to be any separate basis for the opponent's claim that the contested mark is non-distinctive. This points to there being no need to consider the section 3(1)(b) ground separately to the section 3(1)(c) ground.

37. However, within his skeleton arguments filed in advance of the hearing, Mr Conway submitted as follows:

“31. Because of the exclusively descriptive meaning possessed by the mark, and since it does not contain any feature that would enable it to act as an indicator of trade origin in the mind of relevant consumers, it is by extension devoid of any distinctive character and also objectionable under s. 3(1)(b).

32. Further, to the extent the mark is not found to be directly descriptive for any of the goods and services applied for, we submit it is nonetheless devoid of distinctive character under s. 3(1)(b), due to the simple laudatory and purely promotional message it will convey in relation to goods and services that are related to steel.” (my emphasis)

38. This unpleaded line of argument was also advanced at the hearing, albeit briefly. Mr Conway submitted that, even if the contested mark is not considered descriptive, it would just be seen as a purely promotional, laudatory indicator that would not enable consumers to distinguish the applicant's services from those of other companies.

39. I am not persuaded that, on the basis of this unpleaded claim, the contested mark ought to be refused under section 3(1)(b). I have already found that the contested mark avoids an objection under section 3(1)(c) because the combination of the words 'smart steel' is somewhat unusual and fanciful; specifically in relation to the services at issue, I have concluded that the meaning conveyed by the mark is ambiguous and insufficiently direct. To my mind, these features imbue the contested mark with at least the minimum level of distinctive character required to function as a guarantee of economic origin. As the meaning of the mark will not be immediately clear to the average consumer, it is difficult to envisage the circumstances in which the mark is perceived as purely promotional or laudatory. Even if the contested mark was liable to be used in a promotional manner in relation to the applied-for services, trade marks are capable of performing a dual function, being perceived by the relevant public as both promotional and as an indication of economic origin; as such, whether something could be seen as promotional or laudatory is not sufficient, in itself, to conclude that a mark is devoid of distinctive character.<sup>19</sup> In the event that the contested mark was perceived as promotional or laudatory, it is my view that the aforementioned features of the mark would also allow it to function as a guarantee of economic origin.

40. In light of the above, the opposition based upon section 3(1)(b) is also dismissed.

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

41. Sections 5(2)(b) and 5A of the Act read as follows:

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

[...]

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<sup>19</sup> *Audi AG v OHIM*, Case C-398/08 P, paragraphs 44 – 47

(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.”

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

42. 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.

## Comparison of goods and services

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

“In assessing the similarity of the goods or services concerned, [...] 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”.

44. 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.



45. In *Gérard Meric v OHIM*, Case T-133/05, the General Court (“GC”) 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 the 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”.

46. 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 OHIM*, Case T-325/06, the GC 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”.

47. The goods and services to be compared are outlined at paragraphs 1 and 4.

#### Class 40

*‘Recycling of [...] scrap’*

48. Scrap is defined as, *inter alia*, pieces of metal that are no longer needed but have parts that can be used to make other things.<sup>20</sup> To my mind, the above term would be encompassed by *‘recycling of metal goods’* in class 40 of the earlier mark. Therefore, these services are to be regarded as identical in accordance with *Merica*.

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<sup>20</sup> <https://dictionary.cambridge.org/dictionary/english/scrap>

*‘Recycling of waste [...] and garbage’*

49. Waste is defined as unwanted matter or material of any type, especially that which is left after useful substances or parts have been removed.<sup>21</sup> Garbage is defined as waste material or unwanted things that are thrown away;<sup>22</sup> although the word is predominantly used in the US, it is my impression that this meaning is also readily understood in the UK. In my view, waste and garbage are broad enough to include unwanted metal goods. As such, I find the above services are identical to *‘recycling of metal goods’* in class 40 of the earlier mark under the principle outlined in *Meric*.

*‘Waste [...] processing’*

50. In the absence of any evidence to the contrary, it is my understanding that waste processing refers to the treatment of waste after collection but before disposal. It incorporates the sorting and recycling of waste, which could include unwanted metal goods. Accordingly, I find that it is identical to *‘recycling of metal goods’* in class 40 of the earlier mark under *Meric*. Even if I am wrong in this finding, it remains the case that the respective services are highly similar. This is because there are significant overlaps in nature, intended purpose and method of use. Further, users are likely to be the same. The respective services may also reach the market through the same trade channels and may be provided by the same undertakings. For example, an undertaking that recycles metal goods may also process metallic waste products. Although the services are not complementary in the sense outlined in case law, they are in competition, i.e. a consumer could select the applicant’s waste processing services over the opponent’s metal recycling services, and vice versa, to achieve the same outcome.

*‘Sewage and pollutant processing, recycling of [...] sewage’*

51. Although these services also feature processing and recycling, I do not consider that the same findings can be reached. Sewage is defined as waste matter such as

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<sup>21</sup> <https://dictionary.cambridge.org/dictionary/english/waste>

<sup>22</sup> <https://dictionary.cambridge.org/dictionary/english/garbage>

water or human urine or solid waste,<sup>23</sup> whilst a pollutant is defined as a substance that pollutes, or a harmful substance that causes pollution.<sup>24</sup> Clearly, the natural and core meanings of these words do not include metals or metallic goods. Therefore, the nature, intended purpose and method of use of these services and *'treatment of common metals and their alloys; treatment of steels'* and *'recycling of metal goods'* differs. The fact that they involve some form of processing or recycling is a superficial overlap and is not, in itself, enough to engage similarity, i.e. it is at far too broad a level. Furthermore, the respective services are unlikely to be provided by the same undertakings or reach the market through shared channels of trade. Users of the services are also likely to be distinct. There is no competition between the respective services. Neither are they complementary. Taking all of the above into account, I find that the respective services are dissimilar.

#### Class 42

52. There is no obvious overlap in nature between any of the applicant's services in class 42 and *'treatment of common metals and their alloys; treatment of steels'* or *'recycling of metal goods'* in class 40 of the earlier mark. Although the respective services may share some connection to the steel industry, the actual services themselves are very different. To my mind, the intended purpose of the respective services also differs. For example, the applicant's *'design and development of computer hardware and software for controlling plants for the production of steel'* is to provide computer hardware and software for operators of steel production plants, whereas *'treatment of steels'* is for hardening or tempering steel. Any overlap in method of use is also unclear. In the absence of any evidence on the point, I am not convinced that the respective services reach the market through the same or overlapping trade channels, and I consider it unlikely that they are provided by the same undertakings; the respective services are specialist and distinct. Users of the respective services are also likely to be different. For instance, the users of the applicant's services are likely to be steel producers, whilst those of the opponent's services are likely to be businesses seeking treated metals or recycling solutions.

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<sup>23</sup> <https://dictionary.cambridge.org/dictionary/english/sewage>

<sup>24</sup> <https://dictionary.cambridge.org/dictionary/english/pollutant>

There is no obvious competition between the services since they have different purposes; it is highly unlikely that a consumer would select, for example, the applicant's architectural services over the opponent's treatment of metals, and vice versa. Further, although some of the applicant's services – such as, for example, the construction of steel production facilities – could be considered somewhat important to the opponent's metal treatment services, in that the applicant's services may result in the facility in which the opponent's services are conducted, this connection is insufficiently close to conclude that the respective services are complementary. In any event, consumers are unlikely to believe that they are provided by the same undertakings. In light of all of this, I find that the respective services are dissimilar.

53. For the avoidance of doubt, I have also considered the other goods and services relied upon by the opponent. However, none puts it in a more favourable position.

54. As some degree of similarity between goods and services is necessary to engage the test for likelihood of confusion, my findings above mean that the opposition must fail against the services of the application that I have found to be dissimilar,<sup>25</sup> namely:

Class 40: Sewage and pollutant processing, recycling of sewage.

Class 42: Architectural services for products of steel and erection of plants for the production of steel; design and development of computer hardware and software for controlling plants for the production of steel; chemist services for products of steel and the production of steel; technical draftsman services for products made of steel and the construction of facilities for the production of steel; surveying services for products made of steel and the construction of facilities for the production of steel; civil engineering services for products of steel and erection of plants for the production of steel; engineering services for products of steel and plants for the production of steel; remediation of contaminated sites, namely design of remediation measures to clean up sites after steel production; mining engineering services; construction design

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<sup>25</sup> *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, paragraph 49

services for products made of steel and the construction of facilities for the production of steel.

### **The average consumer and the nature of the purchasing process**

55. 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. (as he then was) 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.”

56. 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.<sup>26</sup>

57. Consistent with my approach to the comparison of the parties' goods and services, my assessment below will focus on the average consumer of the class 40 goods in respect of which there is some similarity.

58. Typically, although the general public may utilise household waste and recycling collection services, they are unlikely to directly purchase the recycling and processing services in question. It is more likely that the average consumer of such services will consist of commercial or professional users. The frequency at which the services are purchased is likely to vary. However, overall, it is my view that commercial or professional users are likely to purchase the services relatively frequently for their ongoing waste disposal needs. Similarly, the cost of the services is likely to vary. For

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<sup>26</sup> *Lloyd Schuhfabrik Meyer*, Case C-342/97

example, some consumers may enter into commercial contracts at a significant outlay, whilst others may purchase the services for occasional, low-cost disposal of ordinary, recyclable materials. The purchasing act will attract a measured thought process. Consumers will consider factors such as cost, environmental impact, ease of use and capabilities of the provider when selecting the services. In light of all of this, I find that the average consumer will demonstrate between a medium and high level of attention. The services are likely to be purchased directly from the provider after viewing information in business prospectuses, brochures or on the internet. The purchasing process is, therefore, likely to be predominantly visual in nature. Nevertheless, I do not discount aural considerations as it is possible that the purchasing of the services may involve verbal consultations with the provider or word of mouth recommendations.

### **Distinctive character of the earlier mark**

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

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

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).”

60. Registered trade marks possess varying degrees of inherent distinctive character. These range from the very low, such as those which are suggestive or allusive of the services, to those with high inherent distinctive character, such as invented words. Dictionary words which do not allude to the services will be somewhere in the middle. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion. The distinctiveness of a mark may be enhanced as a result of it having been used in the market.

61. The earlier mark is in word-only format and consists of the words ‘ArcelorMittal SmarterSteels’. The word ‘ArcelorMittal’ is neither descriptive nor allusive of the goods or services relied upon but, rather, appears to be an invented term. Whether it is perceived as one word or two, this element has no discernible meaning. It is, therefore, highly distinctive. Although ‘SmarterSteels’ is presented as a single word, it consists of two ordinary, dictionary defined words. The average consumer will immediately perceive the two individual words and readily understand their meanings. This is aided by the capitalisation of the word ‘Steels’. These two words form a unit which will, in combination, be perceived as referring to steel products which possess some feature which makes them better than ordinary steel. Although this element is less distinctive than ‘ArcelorMittal’, its meaning is somewhat ambiguous, particularly in respect of the class 40 services relied upon. To my mind, it has a roughly medium level of distinctiveness. In my view, the distinctive character of the mark lies predominantly in the ‘ArcelorMittal’ element. However, ‘SmarterSteels’ still provides a contribution and plays an independent distinctive role. Considering the earlier mark as a whole, I find that it possesses a high level of inherent distinctive character.

62. Evidence has been filed by the opponent and I am now required to assess whether, at the relevant date of 30 September 2020, the opponent has demonstrated that the earlier mark had an enhanced degree of distinctive character.

63. Mr Conway gives evidence that the opponent is the largest steel manufacturer in North America, South America and Europe.<sup>27</sup> He states that the opponent invests heavily in innovation and is at the forefront of new developments, being closely involved in developing the latest technological advancements in the sector.<sup>28</sup>

64. Printouts from the opponent's corporate website are in evidence.<sup>29</sup> The 'About' section of the website is entitled 'Inventing smarter steels for a better world'; within the body, it says "Steel will continue to evolve, becoming smarter, and increasingly sustainable [...] our goal is to help build a better world with smarter steels. Steels made using innovative processes which are more efficient, use less energy, and emit significantly less carbon. Steels that are cleaner, stronger and reusable". Under the title 'Smarter steels: GI', information is provided about the opponent's advanced high strength steels for the auto industry. At the time the printouts were obtained, the opponent was said to be carrying out steel manufacturing in 17 countries and had customers in 160 countries. It had 12 research centres and was involved in over 100 research and development programs at that time. However, the printouts were obtained on 11 January 2022, and, therefore, cannot be relied upon as showing the position at the relevant date.

65. From the printouts, I note that, in 2020, the opponent is said to have mined 58m tonnes of iron ore, made 71.5m tonnes of crude steel, shipped 69.1m tonnes of steel, launched 56 new products and solutions, and conducted 28 "LCA" studies. These figures are, of course, significant. However, no further detail is provided. For instance, there is no indication as to what proportion of this commercial activity was carried out in the UK. Moreover, there is no use of the earlier mark as a whole within the printouts. It is not apparent that any of this activity was conducted under 'ArcelorMittal SmarterSteels', as opposed to simply 'ArcelorMittal'. There is use of 'ArcelorMittal' solus, whilst the separate use of "smarter steels" does not appear to be as an indicator of economic origin.

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<sup>27</sup> Conway, §2

<sup>28</sup> Conway, §3

<sup>29</sup> Exhibit MC1



66. A news release regarding the launch of the opponent's 'Inventing smarter steels for a better world' group website, dated 11 March 2020, has also been provided.<sup>30</sup> Whilst I accept that this news release preceded the relevant date, there is no use of the earlier mark as a whole. Again, there is use of 'ArcelorMittal', whilst separate use of "smarter steels" does not appear to be consistent with use as an indicator of economic origin. Rather, it appears to be used as part of the title company ethos statement.

67. Aside from the criticisms outlined above, I note that the opponent has not provided, for example, details of its turnover or market share, or any information or evidence regarding promotional expenditure and activities connected with goods or services sold under the earlier mark. The evidence of use of the mark is also extremely limited. Overall, the evidence does not support a finding that the distinctiveness of the earlier mark has been enhanced above its inherent characteristics. Even if it did, this would only serve to increase the distinctive character of the 'ArcelorMittal' element, which is already highly distinctive. It would not enhance the distinctive character of the mark as a whole or the 'SmarterSteels' element. As such, it is unlikely that it would have any material impact on the outcome of the opponent's claim. This is particularly the case, considering the evidence does not relate to the recycling of metal goods.

### **Comparison of trade marks**

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

“[...] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means

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<sup>30</sup> Exhibit MC2

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.”

69. Therefore, it would be wrong to dissect the trade marks artificially, though it is necessary to take into account the distinctive and dominant components of the marks; due weight must be given to any other features which are not negligible and hence contribute to the overall impressions created by the marks.

70. The competing trade marks are as follows:

<b>The earlier mark</b>	<b>The contested mark</b>
ArcelorMittal SmarterSteels	smart steel

#### Overall impressions

71. The earlier mark is in word-only format and comprises the words ‘ArcelorMittal SmarterSteels’. The overall impression of the mark is dominated by the ‘ArcelorMittal’ element. The ‘SmarterSteels’ element provides a contribution but plays a lesser role.

72. The contested mark consists of the plain words ‘smart steel’. The overall impression of the mark lies in the combination of these words, i.e. they form a phrase with a unitary meaning with the word ‘smart’ qualifying the word ‘steel’.

#### Visual comparison

73. The competing marks are visually similar in that the contested mark is highly similar to the ‘SmarterSteels’ element of the earlier mark. Although this element plays a lesser role in the earlier mark, it still provides a contribution and will not be overlooked. The difference in letter case is not significant, since the registration of word-only marks

provides protection for the words themselves, irrespective of whether they are presented in upper, lower or title case.<sup>31</sup> The competing marks are clearly different insofar as the earlier mark also contains the ‘ArcelorMittal’ element. This element dominates the overall impression of the earlier mark and has no counterpart in the contested mark. It also appears at the beginning of the earlier mark, a position which is generally considered to have more impact.<sup>32</sup> Further, the earlier mark is much longer than the contested mark. Bearing in mind my assessment of the overall impressions, I find that there is between a low and medium degree of visual similarity between the competing marks.

#### Aural comparison

74. The earlier mark comprises eight syllables, i.e. “AR-CE-LOR-MIT-TAL-SMART-ER-STEELS”, whereas the contested mark consists of two syllables, i.e. “SMART-STEELS”. The competing marks are aurally similar insofar as they share an identical syllable “SMART” and a highly similar syllable “STEELS”/“STEEL”. The competing marks aurally differ in that the earlier mark contains six syllables which are not replicated in the contested mark, with five of those appearing at its beginning. Further, the identical and similar syllables appear in different positions in the marks. The earlier mark is also greater in length than the contested mark. Overall, I find that the competing marks are aurally similar to between a low and medium degree.

#### Conceptual comparison

75. As outlined above, the ‘ArcelorMittal’ element will be perceived as an invented term. It is, therefore, conceptually neutral. The ‘SmarterSteels’ element of the earlier mark is likely to be understood by consumers as referring to steel products which possess some feature which makes them better than ordinary steel. The contested mark will be understood as steel which is, in some way, ameliorated by the use of technology. There is a subtle difference in the meanings conveyed by these elements.

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<sup>31</sup> *Migros-Genossenschafts-Bund v EUIPO*, Case T-189/16

<sup>32</sup> *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02

However, to the extent that the competing marks convey meanings, they are conceptually similar to a high degree.

### **Likelihood of confusion**

76. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. One such factor is the interdependency principle, i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services, and vice versa. As mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier trade mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

77. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the services down to the responsible undertakings being the same or related.

78. Earlier in this decision, I concluded that:

- The applicant's '*waste [...] processing, recycling of waste, [...] scrap and garbage*' services are identical or highly similar to the opponent's '*recycling of metal goods*' services;
- Average consumers of the services at issue will consist of commercial or professional users, who will demonstrate between a medium and high level of attention when selecting the services;

- The purchasing process for the services will be predominantly visual in nature, though aural considerations have not been excluded;
- The earlier mark has a high level of inherent distinctive character;
- The overall impression of the earlier mark is dominated by the 'ArcelorMittal' element, whilst the 'SmarterSteels' element plays a lesser role;
- The overall impression of the contested mark lies in the combination of the words 'smart steel';
- The competing marks are visually and aurally similar to between a low and medium degree, and conceptually similar to a high degree.

79. I acknowledge that the contested mark as a whole is highly similar to the 'SmarterSteels' element of the earlier mark. They differ only in that, in the earlier mark, the adjective 'smart' is in a comparative sense (i.e. the steel is smarter than something else) and the noun 'steel' appears in plural form. The contested mark and this element of the earlier mark are visually, aurally and conceptually highly similar. Nevertheless, there are differences between the marks which are not negligible. The earlier mark also contains the 'ArcelorMittal' element which, being an invented term, is highly distinctive. It dominates the overall impression of the earlier mark and has no counterpart in the contested mark. It also appears at the beginning of the earlier mark, a position which is generally considered to have more impact. Further, this additional element renders the marks as wholes different in length, both visually and aurally, and only similar in this regard to between a low and medium degree. For these reasons, I consider it extremely unlikely that the 'ArcelorMittal' element in the earlier mark will be overlooked, or that the average consumer will fail to recall it. Taking all of the above factors into account, despite the distinctiveness of the earlier mark, it is my view that the differences between the competing marks are likely to be sufficient for the average consumer – paying between a medium and high level of attention during the purchasing process – to distinguish between them and avoid mistaking one for the other, even in relation to identical services. Accordingly, notwithstanding the principles

of imperfect recollection and interdependency, it follows that there will be no direct confusion.

80. That leaves indirect confusion to be considered. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., sitting as the Appointed Person, explained that:

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

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

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

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

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

81. These three categories are not exhaustive. Rather, they were intended to be illustrative of the general approach, as has been confirmed by the Court of Appeal.<sup>33</sup> However, indirect confusion has its limits. I recognise that a finding of indirect confusion should not be made merely because the competing marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.<sup>34</sup> The Court of Appeal has also emphasised that, where there is no direct confusion, there must be a “proper basis” for finding indirect confusion.<sup>35</sup>

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

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

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also

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<sup>33</sup> *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207

<sup>34</sup> *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

<sup>35</sup> *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207

perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

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

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

83. I have already found that the average consumer will not mistake or misremember the marks as wholes for one another, given the presence of the highly distinctive element ‘ArcelorMittal’ in the earlier mark. I am conscious not to artificially dissect the competing marks and I acknowledge that the average consumer tends to perceive trade marks as wholes. However, although I have found that the ‘SmarterSteels’ element of the earlier mark does not dominate the overall impression of the mark, I have also found that it plays an independent distinctive role, i.e. it has a distinctive significance which is independent of the significance of the whole. It does not combine with ‘ArcelorMittal’ in any way and the earlier mark as a whole is likely to be perceived by the average consumer as consisting of two separate and seemingly unconnected elements. As noted above, the contested mark is highly similar to the ‘SmarterSteels’ element of the earlier mark, both visually and aurally, and there is only a subtle difference in the concepts they convey. Given that I have found the parties’ services to be identical or highly similar, I consider that the average consumer would



misremember or mistakenly recall these elements for one another. Although I have found that 'SmarterSteels' is somewhat allusive of the services in class 40, the message it conveys is indirect and ambiguous. Therefore, whilst I acknowledge that it is not strikingly distinctive, it has a roughly medium level of distinctive character; in my view, it is sufficiently distinctive to result in confusion occurring. In the circumstances, the differences between the competing marks appear consistent with the use of a sub-brand with and without the 'house' brand. Given its distinctiveness and dominance in the overall impression of the earlier mark, it is my view that the average consumer may perceive the 'ArcelorMittal' element as the 'house' brand. Having imperfectly recalled the contested mark as the 'SmarterSteels' element of the earlier mark, the average consumer is likely to believe that the contested mark is the opponent's sub-brand used *solus*. Taking all of the above into account, I am satisfied that the average consumer – even paying between a medium and high level of attention – would assume a commercial association between the parties, or sponsorship on the part of the opponent, due to the highly similar elements 'SmarterSteels'/'smart steel'. Consequently, I consider there to be a likelihood of indirect confusion.

## **Conclusion**

84. The opposition under section 5(2)(b) succeeds in respect of '*waste [...] processing, recycling of waste, [...] scrap and garbage*' in class 40 but fails in relation to the remaining services of the application.

## **Overall outcomes**

85. Whilst the opposition under sections 3(1)(b) and (c) of the Act has been unsuccessful, the opposition under section 5(2)(b) of the Act has been partially successful. Subject to any successful appeal, the application will be refused in respect of the following services:

Class 40: Waste processing, recycling of waste, scrap and garbage.

86. The application will proceed to registration in the UK in relation to the following services, against which the opposition has failed:

Class 40: Sewage and pollutant processing, recycling of sewage.

Class 42: Architectural services for products of steel and erection of plants for the production of steel; design and development of computer hardware and software for controlling plants for the production of steel; chemist services for products of steel and the production of steel; technical draftsman services for products made of steel and the construction of facilities for the production of steel; surveying services for products made of steel and the construction of facilities for the production of steel; civil engineering services for products of steel and erection of plants for the production of steel; engineering services for products of steel and plants for the production of steel; remediation of contaminated sites, namely design of remediation measures to clean up sites after steel production; mining engineering services; construction design services for products made of steel and the construction of facilities for the production of steel.

### **Costs**

87. Both parties have succeeded in part. However, the applicant has enjoyed a greater measure of success. As such, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016, with an appropriate reduction to reflect the opponent's degree of success.

88. I note that the applicant did not attend the hearing or file any written submissions during the course of the proceedings. Moreover, it neither filed any evidence nor commented upon that of the opponent. In the circumstances, I award the applicant the sum of **£250** as a contribution towards the cost of considering the opponent's statement and preparing a counterstatement.

89. I therefore order ArcelorMittal to pay ThyssenKrupp Steel Europe AG the sum of **£250**. This should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order made by the appellate tribunal).

**Dated this 29<sup>th</sup> day of November 2022**

**James Hopkins**  
**For the Registrar**