

# **O-223-15**

**IN THE MATTER OF THE TRADE MARKS ACT 1994**

**-and-**

**IN THE MATTER OF REGISTRATION NO. 2621328**

**OF THE TRADE MARK 'ARTBANK'**

**in the name of Artbank.com Limited**

**-and-**

**IN THE MATTER OF OPPOSITION NO. 104243**

**by ArtBanc International Limited, Inc**

**APPEAL TO THE APPOINTED PERSON FROM THE DECISION OF MR GEORGE  
SALTHOUSE, HEARING OFFICER, ACTING ON BEHALF OF THE REGISTRAR  
OF TRADE MARKS DATED 16 APRIL 2014**

## **DECISION**

### **Introduction**

1. On 17 May 2012 Artbank.com Limited ('the Applicant') applied to register the sign ARTBANK as a trade mark in respect of the following services:

*Class 35: Advertising services; providing a searchable online market guide featuring the goods and services of online vendors; operation of a customer loyalty scheme; promotional and advertising services for customer club members; promotional and retail services connected with the sale of works of art*

*Class 38: Providing an online interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network*

*Class 42: The hosting of online marketplaces for sellers and buyers of goods and services; operating and management of online websites*

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2. The application was accepted and published for opposition purposes on 19 October 2012. Notice of Opposition was filed by ArtBanc International Limited Inc ('the Opponent') on 18 December 2012.

3. The Opponent is the registered proprietor of a Community Trade Mark, no. 4326898 for the sign ARTBANC in respect of the following services:

*Class 36: Financial investment services in the field of fine art; financing relating to fine art.*

4. The Opposition was based on two grounds. The first was that the Applicant's trade mark had been applied for in bad faith under s3(6) of the 1994 Act. The second was that the Applicant's trade mark was confusingly similar to the Opponent's trade mark and should be refused under s5(2)(b) of the 1994 Act.

### The hearing below

5. The Opposition came on for hearing at the IPO before Mr George Salthouse on 24 March 2014. He rejected both grounds of Opposition and upheld the grant of the trade mark in its entirety. On this appeal, the Opponent only appeals against his rejection of the case under s5(2)(b). It no longer pursues the allegation of bad faith.

6. The Hearing Officer refused the opposition under s5(2)(b) for two separate reasons:

(a) He held that the Opponent had failed to show genuine use of its registered mark in the EU in respect of the services for which it was registered during the relevant period required under the

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Trade Marks (Proof of Use etc.) Regulations 2004, paragraph 6, namely the period of 5 years prior to 7 May 2012.

(b) In any event he held that there was no likelihood of confusion amongst average consumers.

7. In order to succeed on this appeal, the Opponent must overturn both these findings. I shall deal first with the finding of no likelihood of confusion, because if the Decision is upheld on that ground there is no need for me to consider the finding of lack of genuine use.

### The role of the Appellate Tribunal

8. The Courts have repeatedly stressed that the scope for appeals from decisions of experienced first instance tribunals on questions of degree involving a 'multifactorial assessment' is very limited. The issue of 'likelihood of confusion' is a paradigm example of such a question. In Digipos Store Solutions Group Limited v Digi International Inc [2008] RPC 24 at [5]-[6], Daniel Alexander QC sitting as the Appointed Person put it in the following terms:

*5. It is clear from Reef Trade Mark [2003] RPC 5 ('Reef') and BUD Trade Mark [2003] RPC 25 ('BUD') that neither surprise as a Hearing Officer's conclusion nor a belief that he has reached the wrong decision suffice to justify interference by this Court. Before that is warranted, it is necessary for this court to be satisfied that there is a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong (Reef). As Robert Walker LJ (as he then was) said:*

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*'an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle' (Reef para 28)'*

6. This was reinforced in BUD where the Court of Appeal made it clear that it preferred the approach of the appellate judge but nonetheless held that there was no error of principle justifying departure from the Hearing Officer's decision. As Lord Hoffmann said in Biogen v Medeva [1997] RPC 1 at 45, appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge's evaluation. In the context of appeals from the Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing similarities between marks, attributing too much or too little discernment to the average consumer or giving too much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference.'

9. So the Opponent will not succeed unless it is able to identify a material error of principle which vitiates the Decision, or is able to show that the Hearing Officer's conclusion was clearly wrong (that is to say that his opinion was not within the range of views which a reasonable tribunal could hold).

### The Hearing Officer's Decision on likelihood of confusion

10. The Hearing Officer approached the question of likelihood of confusion under s5(2)(b) by first setting out the familiar 10 paragraphs of guidance given by Mr Hobbs QC sitting as the Appointed Person in ALLIGATOR O/333/10 and approved by Arnold J in Och-Ziff [2010] EWCH 2599. I need not set them out here, since they are well-known and there is no challenge to the correctness of these as a summary of the law.

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11. The Hearing Officer then turned to consider the distinctive character of the Opponent's mark. He first pointed out that the Opponent had not provided sufficient evidence of use in the EU or the UK to benefit from an 'enhanced reputation', which might have increased the risk of confusion. The Opponent does not challenge this finding.
  
12. In paragraph 31 of his Decision he considered the inherent distinctive character of the mark. He pointed out that the services for which the mark was registered relate to the investment and financing of fine art. The mark ARTBANC clearly alludes to a 'bank' for 'art'. Nonetheless, the Hearing Officer found that it had a reasonable level of inherent distinctiveness for the relevant services.
  
13. Next (paragraph 32), the Hearing Officer considered the identity of the average consumer and the nature of the purchasing process. He noted that the Opponent's actual business was concerned only with high value loans, but that no such restriction was placed on the specification of services of its trade mark. The mark therefore extended to services aimed at people of low net worth who wished to invest in, or finance, the purchase of low value artworks. However, he pointed out that the average consumer would in any event be unlikely to purchase the services in question (usually involving the provision of a loan) without considerable thought. Similarly the services for which the Applicant's mark was applied for would not be purchased on a whim.
  
14. Between paragraphs 33 and 40 the Hearing Officer compared the services of the specifications of the two marks in order to decide whether or not they were 'similar' for the purpose of s5(2)(b). On the law, he cited the guidance of Jacob J in Treat [1996] RPC 28 followed by the dicta of the same judge in Avnet v Isoact [1998] FSR 16 on the subject of the scope of registrations for services. He also considered the judgments

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of the General Court in Boston Scientific v OHIM T-325/06 and Daniel Alexander QC in Sandra Elliott v LRC (LUV) O-255-13 on the subject of the relevance of the complementarity of goods or services to the question of 'similarity'.

15. In paragraph 39 he set out the Opponent's arguments on similarity. In essence, the Opponent was arguing that the Applicant's specification was in one case (*'promotional and retail services connected with the sale of works of art'*) specifically concerned with the art market, and that the rest of the services covered operations concerned with the art market. According to the Opponent, the retail, promotional, and internet hosting services covered by the Applicant's mark would, if they were used for the sale of artworks, be seen as complementary to the art financing services for which the Opponent's mark is registered. This, it was contended, would lead average consumers to believe that the two businesses were connected.

16. The Hearing Officer set out his conclusions on the point of similarity in paragraph 40. He said this:

*'Having carefully considered all of the authorities quoted above and taking into account the contentions of the opponent I come to the conclusion that no reasonable person could consider the investment and financing services of the opponent to be similar or complementary to any of the services sought to be registered by the applicant. The opponent has conflated their actual activities with their registered rights. Whilst I accept that the opponent has a website offering artworks for sale this is not a services for which their mark is registered and it cannot be seen as falling within any reasonable reading of financial or investment services.'*

17. The Hearing Officer then considered (at paragraph 41) the similarity of the marks, and accepted that they were very similar.

18. Finally, at paragraph 42, he came to his conclusion on likelihood of confusion. Noting the ‘interdependency principle’ (a lesser degree of similarity of goods is ‘set off’ by a greater degree of similarity between marks and vice versa), he found that the similarity between the marks was set off by the dissimilarity between the services. As such, he considered that (even allowing for imperfect recollection) there was no likelihood of consumers being confused.

19. The Opponent suggests that the Hearing Officer made errors of principle in two parts of this analysis.

The average consumer

20. The first alleged error concerns the Hearing Officer’s approach to the average consumer. It is said that the Hearing Officer gave ‘*undue weight*’ to the fact that the Opponent’s business is aimed at high worth individuals and companies. So far as I can see, in paragraph 32 of his Decision, which I have summarized in paragraph 12 above, far from giving weight to that consideration, the Hearing Officer was at pains to make clear that it was the scope of the specification of services which mattered, not what the Opponent actually did.

21. It is also said that the Hearing Officer failed to recognize that typical customer of services within the scope of the Applicant’s specification would be similar to the typical customer of services within the scope of the Opponent’s specification. I have to say that I cannot detect any such failure in the Hearing Officer’s Decision. He clearly recognizes in paragraph 32 that both sets of services may be provided to individuals, whilst pointing out (correctly in my view) that the services of the Applicant’s specification would appear to be more aimed at businesses.

22. I therefore do not accept that there is any error of principle on this issue.

The comparison of services

23. The second part of the Decision in which errors of principle are said to have been made is in the section dealing with the comparison of services between the marks. It will be recalled that the Hearing Officer considered that the services were in fact dissimilar, and this conclusion played an important part (via the 'interdependency principle') in his ultimate conclusion that there was no likelihood of confusion.

24. The Opponent first of all alleges that the Hearing Officer '*appears to have assumed that the Applicant's services relate to artworks of a mass-market, low-cost kind (see the reference to the Athena "Tennis Girl" Poster at paragraph 32)*'. As a result of this alleged error, the Hearing Officer is said to have been led to '*compare only the high-end sector of the Opponent's services with the Applicant's (wrongly) supposed low-end activities rather than simply considering the services the subject of the Opponent's registration and of the Application more generally*'.

25. I do not accept these submissions. I can see nothing in the Decision to indicate that the Hearing Officer considered that the Opponent's activities were 'high end' (presumably meaning involving the funding of high value items) and the Applicant's were 'low end'. The only evidence which is advanced for this proposition is the Hearing Officer's reference to the Athena "Tennis Girl" poster in paragraph 32 of his Decision. But (i) the Hearing Officer is using this reference simply to illustrate the breadth of scope of the services in question, from loans of more than \$1M to the purchase of a cheap poster of questionable taste; (ii) he is actually referring to the services of the

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Opponent, not the Applicant, so this reference would not in any event support the point the Opponent is seeking to make.

26. Secondly, the Opponent says that the Hearing Officer failed to consider the degree of similarity of services in the *'particular case that the Applicant's services were offered in relation to artworks'*. It is hard to see how this can be so. The Hearing Officer sets out the Opponent's case to this effect at length in paragraph 39 of his Decision, and says in paragraph 40 that he has taken it into account in his consideration of the similarity of the services in question. It is plain from the authorities cited by the Hearing Officer on the question of 'complementarity', in particular the LUV decision, that he was sceptical of arguments as to similarity based simply on the fact that the goods or services are offered to the same class of consumers in the same field. He simply did not accept that investment and financing services were similar to the various retail and promotional activities which the Applicant's mark was applied for, even assuming that they were both being offered in the art market. There is no error of principle here.

27. In oral argument, Ms Harland on behalf of the Opponent contended that even aside from questions of principle the view taken by the Hearing Officer on the question of similarity of services was simply wrong and should be set aside on that basis. I do not agree. It seems to me that his view was well within the range of conclusions which a reasonable Hearing Officer could have reached in this case. It therefore cannot properly be challenged on appeal applying the Reef and BUD principles as further explained in Digipos.

28. Finally, the Opponent challenges the approach taken in paragraph 40 of the Decision which I have quoted in paragraph 15 above. Specifically, it takes issue with the last two sentences of that paragraph. The Opponent says (which I accept) that it did not seek to rely on its own

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website offering artworks for sale in support of its case on likelihood of confusion, or argue that such a website would fall within the scope of its registration.

29. It is right to say that these two sentences are a little puzzling. However, I think that the Opponent has taken them too literally. As I read them, the Hearing Officer is simply saying that the Opponent's view of the complementarity/similarity between the relevant services may not be same as that of the average consumer, owing to the fact that it had its own website offering artworks for sale and therefore straddled both types of business.

### Conclusion

30. Having considered all the points raised by the Opponent in relation to the Hearing Officer's findings on s5(2)(b), I am not satisfied that any error of principle has been shown, or that the Decision could be said to be so clearly wrong as to justify intervention on appeal. It is right to say that the Decision could have been better expressed, and it would have been preferable if there had been more transparency in his reasoning particularly on the issue of similarity of services, but that is not in itself a reason to overturn it.

31. Since I have upheld the Hearing Officer's Decision on s5(2)(b), there is no need for me to provide a reasoned judgment on the appeal against his Decision in relation to 'use' by the Opponent of its mark. For the avoidance of doubt, however, I should say that I would not have overturned the Hearing Officer's decision on that point either. The objections taken against his decision are not based on any alleged error of principle – rather they invite me to disagree with his evaluation of the evidence before him. That is not a proper ground of appeal.

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32. I will uphold the Decision and confirm that the Opposition is dismissed.  
The further sum of £1250 shall be paid by the Opponent towards the costs of the appeal.

**IAIN PURVIS QC**  
**THE APPOINTED PERSON**

**11 May 2015**