

O-457-21

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3308172

**IN THE NAME OF
SALT LENDING HOLDINGS, INC
FOR THE TRADE MARK**

SALT

IN CLASS 9 & 36

AND

THE OPPOSITION THERETO UNDER NUMBER OP600000947

BY

SALT EXCHANGE LTD

Background and pleadings

1. On 2 May 2018, Salt Lending Holdings, Inc (“the applicant”) applied to register the trade mark SALT in the UK. It was accepted and published in the Trade Marks Journal for opposition purposes on 15 June 2018. The application relates to the following goods and services:

Class 9: Computer and mobile software, namely, software using blockchain technology for providing financial and banking services, execution and management of secure data transactions, measuring and/or recording the fair value of assets based on market, management of data escrow, or providing shared and/or distributed ledgers.

Class 36: Banking and financial services via global electronic networks related to digitized assets, namely, allocation and placement of funds, clearing, trading, and/or exchange services, or facilitating the transfer of funds between sources.

2. On 12 September 2018, the application was opposed under the fast track opposition procedure by Salt Exchange Ltd (“the opponent”). The opposition is based upon Section 5(2)(b) of the Trade Marks Act 1994 (the Act). This is on the basis of its earlier trade mark registration UK00003305693, which consists of a series of three marks. The opposition is directed against all of the goods in the application. The goods and services relied upon in this opposition are as follows:

UK00003305693 – Filing date: 23 April 2018; Date of entry in register: 27 July 2018

- (i) **Salt Exchange**
- (ii) **salt exchange**
- (iii) **SALT EXCHANGE**

- Class 9: Application software for cloud computing services; Application software for wireless devices; Computer digital maps; Computer e-commerce software to allow users to perform electronic business transactions via a global computer network; Computer programmes stored in digital form; Computer software for creating searchable databases of information and data; Computer software for use as an application programming interface (API); Computer software to enable the searching of data; Application software for mobile devices; Application software for mobile phones; Application software for smart phones; Computer programmes for data processing; Computer programmes relating to financial matters; Computer programs for accessing, browsing and searching online databases; Data processing apparatus; Data processing software.
- Class 35: Auctioneering provided on the internet; Arranging and conducting of Internet auctions; Arranging and conducting of auctions and reverse auctions via computer and telecommunication networks; Arranging and conducting of auctions and reverse auctions via mobile telephones; Arranging and conduction of auction sales; On-line auctioneering services via the Internet; On-line trading services in which seller posts products to be auctioned and bidding is done via the Internet; Organisation of internet auctions; Providing on-line auction services.
- Class 42: Design and development of computer software for evaluation and calculation of data; Designing of data processing programmes; Design and development of operating system software; Design services for data processing systems; Developing computer programs for electronic cash register systems; Digital asset management; Platform as a Service [PaaS]; Application service provider (ASP); Constructing an internet platform for electronic commerce.

3. The opponent argues that “SALT” is highly similar to its earlier trade mark, “SALT EXCHANGE”; that the goods and services offered under the respective marks are sufficiently similar; and that there exists a likelihood of confusion to the public, including an association with the opponent’s brand.
4. The applicant filed a notice of defence and counterstatement denying the claims made and asserts that “there is no similarity between the highly specialised goods and services of the present application that are directed to a niche sector and the arguably descriptive mark SALT EXCHANGE and its goods and services”.
5. The applicant argues further that there is evidence showing that the opponent “no longer appears to exist commercially or have any active use of the trade mark upon which the opposition is based, it [therefore] appears appropriate to refuse the opposition”.

Preliminary Points

6. The applicant contends, citing records extracted from Companies House and information relating to an inactive domain name for *salt-exchange.com*, that the opponent’s company is now defunct; and “absent any commercial presence by the opponent, there are no customers to be confused”. Although I am not prepared to take judicial notice of this information, I must point out that the information provided by the applicant shows that the opponent’s company status is recorded as active at Companies House. In any event, a trade mark proprietor is entitled to license, mortgage, transfer, merge or sell its trade mark(s). More significantly, the information relating to company registration or regulatory obligations has no bearing on a trade mark registration, which is governed by the Act. Its main function is to guarantee the identity of the origin of the marked product/service to the consumer or by enabling them, without any possibility of confusion, to distinguish the product or service from others which have another origin. Therefore, the references to Companies House will play no part in my deliberation; as I must simply consider the opposition based on the criteria under the Act in relation to trade marks.

7. Furthermore, the opponent is entitled to rely upon notional and fair use of its registered mark. The concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd* ([2004] RPC 41) thusly:

“22. ... It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

8. By reason of the fact that the opponent's mark had not been registered for more than five years at the date the application was filed, it is not subject to the proof of use conditions contained in section 6A of the Act. The opponent is, as a consequence, entitled to rely upon its mark in relation to all of the goods and services indicated without having to prove that genuine use has been made of it. Therefore, I must make the assessment based upon the full width of the goods and services relied upon by the opponent, regardless of whether or not the mark has actually been used in relation to those goods and services. This is because the opponent is entitled to protection across the breadth of what it has registered on a 'notional' use basis.

Procedural Points

9. In these proceedings the applicant is represented by Hanna Moore + Curley; the opponent is not professionally represented.

10. Rule 6 of the Trade Marks (Fast Track Opposition) (Amendment) Rules 2013, S.I. 2013 2235, disapplies paragraphs 1-3 of Rule 20 of the Trade Marks Rules 2008, but provides that Rule 20(4) shall continue to apply. Rule 20(4) states that:

“(4) The registrar may, at any time, give leave to either party to file evidence upon such terms as the registrar thinks fit.”

11. The net effect of these changes is to require parties to seek leave in order to file evidence in fast track oppositions. No leave was sought in respect of these proceedings. Evidence constitutes facts. Since leave must be sought to file evidence, the contents of the counterstatement and the witness statement filed in place of submissions in lieu of hearing, could be deemed inadmissible in these proceedings. I will say more about the content of the counterstatement later in this decision.

12. Rule 62(5) (as amended) states that arguments in fast track proceedings shall be heard orally only if (i) the Office requests it or (ii) either party to the proceedings requests it and the Registrar considers that oral proceedings are necessary to deal with the case justly and at a proportionate cost; otherwise, written arguments will be taken.

13. A hearing was neither requested nor considered necessary. The opponent has not filed written submissions, save and except for the statement of case submitted with the notice of opposition. The applicant did not file written submissions, but I will treat the contents of its counterstatement and witness statement dated 31 March 2021 as its written submissions. I therefore give this decision after a careful review of all the papers before me.

DECISION

Section 5(2)(b)

14. The opposition is founded upon section 5(2)(b) of the Act, which stipulates that:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

15. An earlier trade mark is defined under section 6 of the Act, the relevant parts of which state:

“(6)(1) In this Act an “earlier trade mark” means –

a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

16. Given its date of filing (23 April 2018), the opponent’s mark qualifies as an earlier mark in accordance with the above provisions.

Relevant Law

17. 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 Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

18. 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.

The principles:

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a greater 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 to mind the earlier mark, 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 will wrongly 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

19. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon*, the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia,

their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

20. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- a. The respective users of the respective goods or services;
- b. The physical nature of the goods or acts of services;
- c. The respective trade channels through which the goods or services reach the market;
- d. 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;
- e. 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.

21. The General Court (“GC”) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

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

paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

22. For the purposes of considering the issue of similarity of goods, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way and for the same reasons (see *Separode Trade Mark* (BL O/399/10) and *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ETMR 35 at paragraphs 30 to 38).

Similarity of goods and services – Nice Classification

23. Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

- (a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.
- (b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the "Nice Classification" means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.”

Class 9 Goods Comparison

24. An interpretation of the wording of the list of goods and services is required, before proceeding with the comparison, to determine the scope of protection of these goods and services. In particular, the term ‘namely’, used in the

applicant's list of goods and services to show the relationship of individual goods and services to a broader category, is exclusive and restricts the scope of protection only to the goods and services specifically listed.¹

25. The contested "*Computer and mobile software, namely, software using blockchain technology for providing financial and banking services, execution and management of secure data transactions, measuring and/or recording the fair value of assets based on market, management of data escrow, or providing shared and/or distributed ledgers*" are software encompassed by the opponent's "*Computer e-commerce software to allow users to perform electronic business transactions via a global computer network*" and/or "*Computer programmes relating to financial matters*". These services, possibly with the exception of *management of data escrow, or providing shared and/or distributed ledgers* (if they are stand-alone software), target the same (professional or general public) consumers, relate to the financial sector and have the same overall purposes. Therefore, they are identical under *Meric*.

26. In considering the terms: *management of data escrow, or providing shared and/or distributed ledgers*, I find that these are encompassed by either of the following terms in the opponent's specification: *Computer software for creating searchable databases of information and data; Computer programmes for data processing; Computer programs for accessing, browsing and searching online databases; Data processing apparatus; or Data processing software*. Therefore, these competing terms are also identical under the settled *Meric* principle.

¹ "Note that specifications including "namely" should be interpreted as only covering the named Goods, that is, the specification is limited to those goods. Thus, in the above "dairy products namely cheese and butter" would only be interpreted as meaning "cheese and butter" and not "dairy products" at large. This is consistent with the definitions provided in Collins English Dictionary which states "namely" to mean "that is to say" and the Cambridge International Dictionary of English which states "which is or are"." *Manual of Trade Marks Practice, The Classification Addendum*, under the letter "I", heading: "Including, for example, namely, as well as, in particular, specifically i.e."; section last updated November 2020.

27. All of these goods will be types of software, which are composed of programmes or systems that can be used for a wide range of activities related to the financial field². In effect, the competing software enables financial institutions to carry out their services and/or facilitate ordinary financial affairs. Moreover, it is a well-known fact that most financial services in today's technologically advanced age, are completely dependent on software, inclusive of features or auxiliary functions to ensure security and accessibility, for example. I therefore consider that the goods are complementary, due to their interdependent nature; they can be considered as being in competition with each other; they target the same consumers (whether financial institutions or ordinary consumers), relate to the financial sector; have the same overall purpose; and share the same channels of trade (in the form of mobile applications, for example, which can be accessed via app stores, across a range of operating systems). Therefore, if the competing goods are not identical, they are at least highly similar.

Class 36 Services Comparison

Banking and financial services via global electronic networks related to digitized assets, namely, allocation and placement of funds, clearing, trading, and/or exchange services, or facilitating the transfer of funds between sources

28. In the absence of any submissions directly as to the definition of this specification, particularly in relation to "digitized assets", as a starting point, I note that the opponent has protection in class 42 for *Digital asset management*, as well as for *Computer programmes relating to financial matters* in class 9. On a global perspective, the applicant's class 36 specification falls within the category of "banking services" and "financial services", the former of which (as stated earlier), is a subset of, or is encompassed by the latter. Further, the services named in the contested specification form part of financial processes;

² I consider that financial services encompass the applicant's banking services. Financial services refer to services provided by the finance industry. The finance industry encompasses a broad range of functions or activities relating to the management, investment, transfer, and lending of money; in which banking services clearly fall.

therefore, these services may also be compared to: *Computer e-commerce software to allow users to perform electronic business transactions via a global computer network; Computer programmes relating to financial matters; Developing computer programs for electronic cash register systems and Platform as a Service [PaaS]* in the earlier mark's specifications. Moreover, I consider that the goods and services are closely connected in nature, insofar as they pertain to financial services and given that the contested services are made available by means of global electronic networks, which will require computer software. The opponent's software, for example, would enable the applicant to carry out its services. Therefore, the goods and services will be complementary and may compete. They also overlap in purpose, user and trade channels; and will, therefore, be highly similar.

Average consumer and the purchasing act

29. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then decide the manner in which these goods are likely to be selected by the average consumer in the course of trade. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

"60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median".

30. For the purpose of assessing the likelihood of confusion, it must also be borne in mind that the average consumer's level of attention is likely to vary according

to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

31. The average consumer for the goods and services will be a member of the general public or a business user. There will be various factors the average consumer takes into consideration during the selection process of the goods and services, such as security, nature of the provider and ease of use. Selection of the majority of goods and services, which essentially relate to financial affairs, will also carry important financial consequences for consumers, particularly where transactions involve risk and/or the transfer of large sums of money or digitised assets. Therefore, the average consumer's level of attention (whether a business user or member of the public), would be fairly high when choosing the respective goods and services.

32. The goods/services are likely to be obtained by visiting the service providers' physical premises or by accessing their websites or from app stores. Visual considerations are, therefore, likely to dominate the purchasing process. However, given that word-of-mouth recommendations and advice from financial advisors (for example) may also play a part, I do not discount that there will also be an aural component to the selection of the goods and services.

Comparison of the marks

33. 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 Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and

of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

34. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks

35. The respective trade marks are shown below:

Salt Exchange salt exchange SALT EXCHANGE	SALT
Earlier trade mark	Contested trade mark

30. The opponent’s earlier mark consists of a three-series word mark, formed of two words “SALT” and “EXCHANGE”. The series of marks differ only in relation to variations between the two forms of case type (uppercase and lowercase), which are non-distinctive and do not substantially affect the identity of the mark. Furthermore, according to established caselaw, there is no difference between the variation in casing; because a word trade mark registration protects the word itself, irrespective of the font capitalisation or otherwise. Therefore, a trade mark in capital letters covers notional use in lower case and vice versa.³

31. The average consumer will recognise “SALT” and “EXCHANGE” as ordinary dictionary words; however, when considered in relation to financial or auctioneering services, the word “EXCHANGE” will be regarded as descriptive. Although the word “EXCHANGE” will contribute to the overall impression conveyed by the mark, bearing in mind that the word “SALT” appears at the

³ *Bentley Motors Limited v Bentley 1962 Limited* BL O/159/17

beginning of the mark, it is “SALT” that will make the greater contribution to both the overall impression conveyed and the trade mark’s distinctiveness.

32. The applicant’s mark consists of the word “SALT”. There are no other elements to contribute to its overall impression, which lies in the word itself.

Visual and Aural Comparisons

36. Visually, the marks coincide in that they share the word element “SALT”, which is the only element in the applicant’s mark; and the first element in the opponent’s. The point of visual difference is the inclusion of the word element “EXCHANGE” in the opponent’s mark; with the identical element positioned first. Therefore, the marks are considered to be visually similar to at least a medium degree.

37. Aurally, the marks overlap in the identical pronunciation of the word “SALT”. They differ in the presence of the word element “EXCHANGE” in the opponent’s mark, which has no counterpart in the applicant’s mark. The fact of the identical pronunciation of the common element alone, inevitably leads to a degree of aural similarity between the marks. Therefore, I consider that the marks are aurally similar to a medium degree.

Conceptual Comparison

38. The applicant avers that the respective marks are conceptually different. It submits inter alia that:

“When understood in their normal meaning, the [words of the opponent’s] mark appears to pertain to a facility or institution that is used for the trading of a particular commodity, that being salt. The ordinary consumer understands that salt is a white crystalline substance that gives seawater its characteristic taste and is used for seasoning or preserving food.

“The opponent asserts in Paragraph 8 that “SALT” is highly similar to SALT EXCHANGE. This assertion is allegedly supported by the statement in Paragraph 9 that EXCHANGE is not a dominant part of the relied-upon mark. We disagree. It is an artificial exercise to separate the two components from the relied-upon mark. The term EXCHANGE provides clarity as to the context of the word SALT and two cannot be separated from one another after the event”.

39. I agree that the opponent’s mark has the concept of indicating that the goods/services relate to commodity exchange; or an exchange through which salt (or minerals) are bought and sold. However, although I accept that this message may be apparent to some consumers, I consider that it is the word “EXCHANGE” which evokes this concept; and further, that such a concept is descriptive of some of the goods and services under the mark. The opponent states that “EXCHANGE” is a word often associated with auctions or financial goods and services such that it is not wholly distinctive from other auctioneering or financial goods and services. In our submission, the dominant element of the registered mark is “SALT”. It is not a common description of auctions or financial products ...”. I agree with the opponent and add that , both marks have a shared concept based upon the “SALT” element.

40. “SALT” is an ordinary dictionary word which will be readily understood by the average consumer; for example, as “a strong-tasting substance, in the form of white powder or crystals, which is used to improve the flavour of food or to preserve it”⁴. The average consumer is therefore likely to apply its understanding of “SALT” to both marks. However, I accept that the presence of “EXCHANGE” in the earlier mark acts as a point of conceptual difference between the marks, which as earlier explained, will be seen (for the most part) as descriptive of some the goods and services offered under that mark. Therefore, I consider that any conceptual similarity in the word “SALT” is more significant than the relative conceptual difference presented by the descriptive

⁴ Collins English Dictionary: <https://www.collinsdictionary.com/dictionary/english/salt>. Last accessed on 14 June 2021.

element, “EXCHANGE”. In light of these considerations, I find that the marks are conceptually similar to an above average degree.

Distinctive character of the earlier trade mark

41. The degree of distinctiveness of the earlier mark 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 confusion⁵. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

42. “In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings” - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

43. Trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. Further, the distinctiveness of a mark can be enhanced by virtue of the use made of it. In this case, however, the opponent has not pleaded that its mark has acquired enhanced distinctiveness through use and has not filed any evidence to support such a claim. Consequently, I have only the inherent position to consider.

44. The word elements “SALT” and “EXCHANGE”, as earlier explained, are standard dictionary words with recognisable meaning, which together, are

⁵ *Sabel BV v Puma AG*, Case C-251/95 [para. 24]

unlikely to be perceived as an invented term. The opponent concedes that “EXCHANGE” is a word often associated with auctions or financial goods and services such that it is not wholly distinctive from other auctioneering or financial goods and services. In our submission, the dominant element of the registered mark is “SALT”. It is not a common description of auctions or financial products”.

45. In contrast, the applicant contends that: “It is an artificial exercise to separate the two components from the relied-upon mark. The term EXCHANGE provides clarity as to the context of the word SALT and two (sic) cannot be separated from one another after the event. ... With regard to the reference to auctions, we note that for similar reasons the term “CORN” for example is not a common descriptor of auctions, but the term “CORN EXCHANGE” is a well known facility or institution that is used for the trading of corn. For similar reasons, the ordinary consumer would not artificially separate the two components and attribute significance to the importance of the term “SALT” and find that isolated component similar to the specific goods and services of the instant application.”

46. Following the applicant’s reasoning, the inherent distinctiveness of the earlier mark lies in the two-word term “SALT EXCHANGE”. However, I consider that to a significant proportion of the relevant public, “SALT EXCHANGE” is not a known concept, compared to, for example, a Corn Exchange. Furthermore, the opponent’s specifications do not suggest any connection to the trading of salt.

47. In considering the opponent’s submissions, I agree that the word “SALT” is the more dominant and distinctive element of the earlier mark. The word “EXCHANGE” has little or no distinctive character in relation to some of the goods and services covered by the earlier mark. I acknowledge that this is not necessarily the case for a significant number of goods and services; for example: *Application software for cloud computing services; Application software for wireless devices; Computer digital maps; Computer programmes stored in digital form; Design and development of computer software for evaluation and calculation of data; Designing of data processing programmes; Design and development of operating system software; Design services for data processing systems.* However, even for these goods and services the

word “exchange” would have little distinctiveness if it were used in relation to services directed at the financial sector. I therefore consider that the opponent’s mark has a medium degree of inherent distinctive character.

Conclusions on Likelihood of Confusion

48. There is no simple formula for determining whether there is a likelihood of confusion. I must make a global assessment of the competing factors (*Sabel* at [22]), keeping in mind the interdependency between them (*Canon* at [17]) and considering the various factors from the perspective of the average consumer. In making my assessment, I must bear in mind 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 he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

49. There are two types of possible confusion: direct, where the average consumer mistakes one mark for the other; and indirect, where the average consumer realises the marks are not the same but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related. The distinction between these was explained by Mr Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10. He said:

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:

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).

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.).

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).”

50. These categories are not exhaustive, but illustrative;⁶ and provide a helpful focus for my analysis on the likelihood of confusion. Earlier in this decision, I concluded that the opponent’s mark comprises a term formed of two words, “Salt” and “Exchange”, the former of which is the more dominant and distinctive element. I found that the marks share a medium degree of visual and aural similarity; and that they are conceptually similar to an above average degree.

51. I have identified the average consumer to be a member of the general public or a business user, who will select the goods primarily by visual means (though I

⁶ See *Thomson Hotels LLC v TUI Travel Amber E&W LLP* BL- O-440/14; § 29.

do not discount an aural component). I have concluded that the degree of attention paid will be fairly high for the respective groups of the average consumer. I have found the parties' competing goods and services to be identical and/or at least similar to a high degree. I have found the earlier mark to have a medium degree of inherent distinctiveness.

52. Notwithstanding the principle of imperfect recollection, and taking all of the above factors into account, particularly the fact that both marks contain the word "Salt", I consider that the word element "Exchange" in the earlier mark will be sufficient to enable the consumer to differentiate between them; and the marks will not be misremembered or mistakenly recalled as each other. This is reinforced by my finding that the average consumer will pay a fairly high degree of attention when selecting the goods and services at issue. Therefore, I am satisfied that there is no risk of direct confusion.

53. Although I consider that the average consumer will notice that there is a difference between the marks and is unlikely to directly confuse one for another, I must also consider the possibility of indirect confusion.

54. In my view, the dominant and distinctive shared element "SALT" will convey an identical conceptual message, which is qualified by the presence of "EXCHANGE" in the opponent's mark. However, I find that the conceptual difference is not sufficiently distinct to preclude an instinctive reaction that the respective marks are connected or that the goods and services (which are identical/highly similar) originate from undertakings that are economically linked. Even in consideration of the high degree of attention expected to be exercised by the average consumer, the conceptual message or shared dominant element, particularly within the full context of the similarities I have identified, is sufficient to lead the average consumer to assume that the goods and services at issue come from the same or economically linked undertakings; thereby resulting in indirect confusion.

55. Given all of the above factors and findings, I find that there is a likelihood of confusion under section 5(2)(b) of the Act.

Conclusion

56. The opposition succeeds in full. Subject to appeal, the application is refused.

COSTS

57. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs in fast track opposition proceedings are governed by Tribunal Practice Notice 2/2015. Applying that TPN as a guide, I award costs to the opponent on the following basis:

Opposition fee:	£100
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Preparation of opposition and statement of grounds	£200
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Total:	£300
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58. I order Salt Lending Holdings, Inc to pay to Salt Exchange Ltd the sum of £300. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of June 2021

**Denzil Johnson,
For the Registrar**