

O/1031/22

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3661160
BY CS SOLUTIONS TECHNOLOGY LTD**

TO REGISTER:

COSOO

AS A TRADE MARK IN CLASSES 36 & 42

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 428397 BY
CAZOO LTD**

BACKGROUND AND PLEADINGS

1. CS Solutions Technology Ltd (“the applicant”) applied to register **COSOO** as a trade mark in the United Kingdom on 28 June 2021. The application was accepted and published on 27 August 2021 in respect of the following services:

Class 36

Financial advice and consultancy; Investment advice and consultancy; Financial information, advice and consultancy in relation to crypto-currency, blockchain technology, distributed ledger technology and the crypto economy; Currency dealing; Currency trading and exchange services; Securities and commodities trading services; Monetary transaction services; Financial transaction services; Arranging financial transactions; Online financial transactions; Financial transfers and transactions, and payment services; Financial services provided by electronic means; Investment by electronic means; Electronic wallet services (payment services); Electronic fund-transfer services; Computerised financial analysis; Financial evaluation and analysis; Financial investment analysis and stock research; Preparation and analysis of financial reports; Providing information and analysis via the Internet in the field of financial investments; Currency exchange rate quotations; Information, advice and consultancy in relation to all the aforesaid services.

Class 42

Providing temporary use of non-downloadable computer software and application software for use in relation to online and electronic retail and payment, crypto-currency, blockchain technology, distributed ledger technology and the crypto economy, currency dealing, currency trading and exchange, database management and creating searchable databases of information and data; application service provider (ASP) featuring software to enable or facilitate the uploading, downloading, streaming, posting, displaying, blogging, linking, sharing or otherwise providing electronic media or information over communication networks; design and development of information technology systems, application and processes; installation, integration and advice in relation to

computer software, software systems and software platforms; information and advice in relation to all the aforesaid services.

2. On 22 November 2021, the application was opposed by Cazoo Ltd (“the opponent”). The opposition is based on sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”) and concerns all the applied-for services.

3. Under section 5(2)(b), the opponent relies on two UK Trade Marks (“UKTM”). The first of these is UKTM No. 3622610, **CAZOO**, which was applied for on 7 April 2021 and registered on 22 October 2021 for goods and services in Classes 9, 12, 35, 36, 37, 38, 39 and 42 of the Nice Classification. It relies on the following services:

Class 36

Financial and monetary services relating to automobiles; warranty services; Appraisal of used automobiles; financial transaction services; financial payment services; financial services relating to cars; loan services relating to cars; provision of warranties for motor land vehicles; computerised financial services; computerised financial transaction services; insurance services; benefit card, cash card, charge card, credit card and debit card payments and validation services; credit services; hire purchase, financing, instalment loan financing and loan services; insurance brokerage services; valuation services; vehicle appraisal services; information, advisory and consultancy services relating to all the aforesaid services; arranging of lease agreements; lease-purchase financing; finance leasing; Processing payments for the purchase of goods and services via an electronic communications network; information, advice and consultancy in relation to all the aforesaid services.

Class 42

Scientific and technological services and research and design relating thereto; industrial analysis and industrial research services; design and development of computer hardware and software; inspection of vehicles before transport; information, advisory and consultancy services relating to the aforesaid services.

4. The second mark is UKTM No. 3356651, **CAZOO**, which was applied for on 27 November 2018 and registered on 22 March 2019 for services in Classes 35, 36 and 39. The opponent is relying on the following services:

Class 36

Financial and monetary services; financial transaction services; financial payment services; financial services relating to cars; loan services relating to cars; warranty services; computerised financial services; computerised financial transaction services; information, consultancy and advisory services relating to the aforesaid.

5. The opponent claims that the marks are visually and aurally closely similar, and that the services covered by the marks are either identical or closely similar. It claims that, bearing in mind imperfect recollection and the principle of interdependency, there exists a likelihood of confusion and the application should therefore be refused under section 5(2)(b).

6. Under section 5(3), the opponent is relying on UKTM No. 3356651, which it claims has a reputation for the following services:

Class 35

The bringing together, for the benefit of others, of cars, used cars, light motor vehicles, vehicles, automotive accessories and parts for the aforesaid enabling customers to conveniently view and purchase those goods including online, online retail services relating to cars, used cars, light motor vehicles, vehicles, automotive accessories and parts for the aforesaid; information, consultancy and advisory services relating to the aforesaid.

7. The opponent claims that, in view of the similarity between the services and the marks, consumers may assume that there is an economic connection between the two undertakings. Damage would, according to the opponent, occur in at least one of the following ways:

- The application would take unfair advantage of the reputation of the earlier mark and any sales would be as a result of the opponent's reputation in **CAZOO**;
- There is a risk of detriment to the reputation of the earlier mark. The opponent claims that it has "*the highest regard for standards and offers top quality products*" and that use of the contested mark is liable to cause reputational damage; and
- There is a risk of detriment to the distinctive character of the earlier trade mark if the contested mark is allowed to proceed to registration, as the opponent would no longer have exclusivity in its trade mark in the UK.

8. The applicant filed a defence and counterstatement denying the claims made.

EVIDENCE AND SUBMISSIONS

9. Only the opponent filed evidence. This comes in the form of a witness statement from Michael Donald Haynes, Group Head of Legal at Cazoo Ltd, is dated 25 May 2022 and goes to the claimed reputation of UKTM No. 3356651. It is accompanied by 15 exhibits. I have read the evidence and will refer to it where appropriate in my decision.

10. Neither party requested a hearing and the opponent filed written submissions in lieu on 9 September 2022.

REPRESENTATION

11. In these proceedings, the opponent is represented by D Young & Co LLP and the applicant by London IP Ltd.

DECISION

Section 5(2)(b)

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

“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.”

13. The earlier marks on which the opponent relies qualify as “earlier trade marks” under section 6(1) of the Act. Because they completed their registration processes within the five-year period ending with the date of application for the contested mark, they are not subject to the requirement to prove genuine use. The opponent may therefore rely on all the services listed in paragraphs 3 and 4 above.

14. In considering the opposition under this section, I am guided by the following principles, gleaned from the decisions of the Court of Justice of the European Union (“CJEU”) in *SABEL BV v Puma AG* (Case C-251/95), *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (Case C-39/97), *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):¹

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

¹ 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 refers to the trade mark case law of EU courts.

b) the matter must be judged through the eyes of the average consumer of the goods or services in question. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their 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 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; and

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 services

15. It is settled case law that I must make my comparison of the services on the basis of all relevant factors. These may include the nature of the services, their purpose, their users and method of use, the trade channels through which they reach the market, and whether they are in competition with each other or are complementary: see *Canon*, paragraph 23, and *British Sugar Plc v James Robertson & Sons Limited (TREAT Trade Mark)* [1996] RPC 281 at [296]. Services are complementary when

“... 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.”²

16. The services to be compared are shown in the table below:

| Earlier services | Contested services |
|---|--|
| <p><u>Class 36 (UKTM No. 3622610)</u> <i>Financial and monetary services relating to automobiles; warranty services; Appraisal of used automobiles; financial transaction services; financial payment services; financial services relating to cars; loan services relating to cars; provision of warranties for motor land vehicles; computerised financial services; computerised financial transaction services; insurance services; benefit card, cash card,</i></p> | <p><u>Class 36</u> <i>Financial advice and consultancy; Investment advice and consultancy; Financial information, advice and consultancy in relation to crypto-currency, blockchain technology, distributed ledger technology and the crypto economy; Currency dealing; Currency trading and exchange services; Securities and commodities trading services; Monetary transaction services; Financial</i></p> |

² *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82.

| Earlier services | Contested services |
|---|--|
| <p><i>charge card, credit card and debit card payments and validation services; credit services; hire purchase, financing, instalment loan financing and loan services; insurance brokerage services; valuation services; vehicle appraisal services; information, advisory and consultancy services relating to all the aforesaid services; arranging of lease agreements; lease-purchase financing; finance leasing; Processing payments for the purchase of goods and services via an electronic communications network; information, advice and consultancy in relation to all the aforesaid services.</i></p> <p><u>Class 36</u> (UKTM No. 3356651) <i>Financial and monetary services; financial transaction services; financial payment services; financial services relating to cars; loan services relating to cars; warranty services; computerised financial services; computerised financial transaction services; information, consultancy and advisory services relating to the aforesaid.</i></p> | <p><i>transaction services; Arranging financial transactions; Online financial transactions; Financial transfers and transactions and payment services; Financial services provided by electronic means; Investment by electronic means; Electronic wallet services (payment services); Electronic fund-transfer services; Computerised financial analysis; Financial evaluation and analysis; Financial investment analysis and stock research; Preparation and analysis of financial reports; Providing information and analysis via the Internet in the field of financial investments; Currency exchange rate quotations; Information, advice and consultancy in relation to all the aforesaid services.</i></p> |
| <p><u>Class 42</u> <i>Scientific and technological services and research and design relating thereto; industrial analysis and industrial research services; design and development of computer hardware and software; inspection of vehicles before transport; information, advisory and consultancy services relating to the aforesaid services.</i></p> | <p><u>Class 42</u> <i>Providing temporary use of non-downloadable computer software and application software for use in relation to online and electronic retail and payment, crypto-currency, blockchain technology, distributed ledger technology and the crypto economy, currency dealing, currency trading and exchange, database management and creating searchable databases of information and data; application service provider (ASP) featuring software to enable or facilitate the uploading, downloading, streaming, posting, displaying, blogging, linking, sharing or otherwise providing electronic media or</i></p> |

| Earlier services | Contested services |
|------------------|---|
| | <i>information over communication networks; design and development of information technology systems, applications and processes; installation, integration and advice in relation to computer software, software systems and software platforms; information and advice in relation to all the aforesaid services.</i> |

Class 36

17. Services may be considered to be identical where a term in one party's specification covers services that are included in a more general term in the other party's specification: see *Gérard Meric v OHIM*, Case T-133/05, paragraph 29. The opponent submits that *Financial and monetary services* covered by UKTM No. 3356651 is broad enough to include all the applicant's services in Class 36. I agree. The contested services all, in my view, fall within the core of the possible meanings attributable to the term *Financial and monetary services*, which would be understood to denote services provided to enable consumers to manage their money and investments and to carry out financial transactions. I find that these services are identical.

18. I do not need to make a separate comparison with the services covered by UKTM No. 3622610 as both the earlier marks are identical.

Class 42

19. The opponent submits that its *Design and development of computer hardware and software* is broad enough to encompass all the contested services in Class 42.

20. I shall begin with the applicant's *Providing temporary use of non-downloadable computer software and application software for use in relation to electronic retail and payment, crypto-currency, blockchain technology, distributed ledger technology and the crypto economy, currency dealing, currency trading and exchange, database*

management and creating searchable databases of information and data. These services enable the user to carry out financial transactions or create and manage database. The purpose of the opponent's *Design and development of computer hardware and software* is to produce the information technology systems and applications that will be used in a very wide range of activities, including those that are indicated in the applicant's specification. I do not consider that there is much similarity in the nature of the services. The applicant provides access to software, while the opponent's services involve creating the software and hardware from scratch or making changes to it, perhaps in response to a client's needs. Some of the users of the services will be the same. There is, in my view, some complementarity: the design and development of software is essential for the delivery of the applicant's services and the consumer may think that the same undertaking is responsible for both. There is also likely to be some competition as the consumer could choose between using non-downloadable software for the purposes described in the applicant's specification or using the opponent's services to obtain bespoke software. I find that there is a medium degree of similarity between the services.

21. I now turn to *Application service provider (ASP) featuring software to enable or to facilitate the uploading, downloading, streaming, posting, displaying, blogging, linking, sharing or otherwise providing electronic media or information over communication networks.* I understand an "application service provider" to be an undertaking that provides its customers with access to software applications and related services over the internet. In my view, the analysis I have set out above also applies here, as the contested services discussed in both paragraphs supply software for specific purposes. The contested services are similar to the opponent's *Design and development of computer hardware and software* to a medium degree.

22. In my view, the applicant's *Design and development of information technology systems, applications and processes* include the opponent's *Design and development of computer hardware and software* and are thus identical per *Meric*. If I am wrong in this, they are highly similar.

23. The applicant's *Installation, integration and advice in relation to computer software, software systems and software platforms* involve the implementation of new software,

its integration with a customer's existing software, platforms and hardware, and advice in relation to those services. The users will, in my view, largely be the same as those of the opponent's *Design and development of computer hardware and software*: organisations relying on information technology to carry out their business. The purposes are also related. If a user is commissioning software, the finished goods will need to be installed and integrated so that the consumer can use the software for its intended purpose. There may be some shared trade channels and I consider that some undertakings may provide both services. The applicant's services depend on the design and development of software and the consumer may think that the same undertaking is responsible for both. Therefore, they are complementary. I find that there is a medium degree of similarity between the opponent's and the applicant's services.

24. Both parties' specifications include information and advisory services in relation to all the services in the specification. Where the underlying services are identical, I find that the applicant's *Information and advice in relation to all the aforesaid services* is identical to the opponent's *Information, advice and consultancy in relation to all the aforesaid services*. Where I found the underlying services to have a medium level of similarity, I consider that the applicant's services are also similar to the same degree.

Average consumer and the purchasing process

25. In *Hearst Holdings Inc & Anor v A.V.E.L.A. Inc & Ors* [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

“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 word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”³

³ Paragraph 60.

26. The opponent makes no specific submissions on the identity of the average consumer. In my view, the average consumer of the Class 36 services would be a member of the general public or a business or other organisation. The frequency of purchase is likely to vary. However, I consider that, as the services are related to financial matters where trust is an important factor, the average consumer will pay a higher than average degree of attention when deciding which supplier to use. They are likely to see the marks used on websites, advertisements and promotional literature, but may also receive word-of-mouth recommendations, including from brokers and other advisors. It is my view that both the visual and aural aspects of the mark will play a significant role in the purchasing process.

27. The average consumer of the Class 42 services is likely to be a business or other organisation. They will buy the services relatively infrequently and they may be supplied as a one-off or on a contractual basis. In my view, the cost of the services would be fairly high and so the consumer will pay a higher than average degree of attention during the purchasing process. I consider that, as with the Class 36 services, the average consumer will see the marks in use on websites, advertisements and promotional literature and may also receive recommendations from advisors or salespeople. I therefore need to take account of both visual and aural aspects of the mark during the purchasing process.

Comparison of marks

28. It is clear from *SABEL* (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 in *Bimbo* that:

“... it is necessary to ascertain in each individual case, the overall impression made on the target public by the sign for which the 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.”⁴

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

30. The respective marks are shown below. As both earlier marks are identical, I shall refer to them in the singular from now on.

| Earlier mark | Contested mark |
|--------------|----------------|
| CAZOO | COSOO |

31. Both marks are word marks consisting of just the one word. The overall impression of each mark must therefore reside in the word itself.

32. The opponent submits that the marks are visually similar as they share the same number of letters (five) and both begin with the letter “C” and end with “OO”. Nevertheless, the mark itself is relatively short, and so a small difference may be more noticeable than in a longer mark. However, I recall that in *Robert Bosch GmbH v Bosco Brands UK Limited*, BL O/301/20, Mr James Mellor Q.C. (as he then was), sitting as the Appointed Person, said that this was a matter of common sense, not a special test for shorter marks. In my view, the effect of these factors results in a visual similarity of a medium degree.

33. Turning to the aural comparison, I note that the opponent submits that the marks are “*virtually identical*”.⁵ The earlier mark would be pronounced as “KA-ZOO”, with two syllables. I believe that the contested mark would be pronounced as “KOH-ZOO” or “KO-ZOO” as the single letter “S” is routinely pronounced as a “Z” in the middle of an

⁴ Paragraph 34.

⁵ Submissions in lieu of a hearing, paragraph 5.

English word (see, for example, “nose”, “hose”). On this basis, I find that the marks are aurally highly similar.

34. The opponent submits that the earlier mark consists of “*an entirely made-up word*”.⁶ There may be a small group to whom the earlier mark brings to mind the rudimentary musical instrument, the kazoo, but I consider that most consumers will think that the word has been invented. The contested mark will also have no meaning for consumers, and so there is no conceptual comparison to be made.

Distinctive character of the earlier mark

35. In *Lloyd Schuhfabrik Meyer*, the CJEU stated that:

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

⁶ Paragraph 6.

36. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. As I found that the average consumer would believe the earlier mark to be invented, the level of inherent distinctive character of that mark is high.

37. The opponent also claims that the distinctive character of the earlier mark has been enhanced through the use made of it. Cazoo was launched in 2019 in the UK as an online car retailer. The bulk of the opponent's evidence has been adduced to support its claim that the earlier mark has a reputation for the Class 35 services relied on under section 5(3). However, Mr Haynes states that the mark has been used "*extensively*" in relation to car financing plans.⁷ Exhibit MH15 contains screenshots from the opponent's website giving information on finance options. On the bottom of one of these, dated 20 November 2020 and retrieved via the Wayback Machine Internet Archive, is the following text:

"Cazoo Limited is an appointed representative of ITC Compliance Limited (ITC) which is authorised and regulated by the Financial Conduct Authority (FCA) (ITC's registration number is 313486). Permitted activities include advising on and arranging general insurance contracts as an intermediary and acting as a credit broker not a lender."⁸

38. Mr Haynes states that the website also includes tools that enable the customer to check whether they are eligible for finance and to work out likely monthly repayments. The screenshots that show these tools are undated.

39. This is the sum total of the evidence relating to the services in Classes 36 and 42. In my view, it falls short of what would be required to show that the distinctive character of the earlier mark has been enhanced through use for those services.

⁷ Witness statement, paragraph 16.

⁸ Page 5.

Conclusions on likelihood of confusion

40. There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. I must also take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services or vice versa. I keep 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 they have in their mind.

41. I found that the services were identical or similar to a high or medium degree, that the marks were visually similar to a medium degree and aurally highly similar and that the distinctive character of the earlier mark was high. I also found that the average consumer would pay a higher than average degree of attention during the purchasing process and that both visual and aural aspects of the mark would be important.

42. When the average consumer pays a fairly high degree of attention during the purchasing process, they are less likely to be confused between marks. I also noted earlier in the decision that it was possible that a small difference in a short mark might be more noticeable than in a longer mark. However, I also consider it significant that the average consumer will believe that both marks are invented words and consequently they will have no conceptual hook to enable them more easily to distinguish the marks, or, indeed, to recall them accurately. It is my view that, in such circumstances, they will mistake one mark for the other, even where the services are similar to only a medium degree. I find there is a likelihood of confusion for all the contested services.

43. The section 5(2)(b) claim is successful.

Section 5(3)

44. For completeness, I will now consider the claim under section 5(3) of the Act. This is as follows:

“A trade mark which–

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

[...]

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

45. The conditions of section 5(3) are cumulative. First, the opponent must show that the earlier mark is similar to the application. Secondly, it must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the application. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

46. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-408/01), *L’Oréal SA & Ors v Bellure & Ors* (Case C-487/07) and *Interflora Inc & Anor v Marks and Spencer plc & Anor* (Case C-323/09). The law appears to be as follows:

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon*, paragraph 29, and *Intel*, paragraph 63.

d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods and/or services, the extent of the overlap between the relevant consumers for those goods and/or services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

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

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

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

h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a

characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oréal*, paragraph 40.

i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation; *Interflora*, paragraph 74, and the court's answer to question 1 in *L'Oréal*.

47. I have already found that the marks are similar and so shall proceed to consider whether the earlier mark has a reputation.

Reputation

48. In *General Motors*, the CJEU held that:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

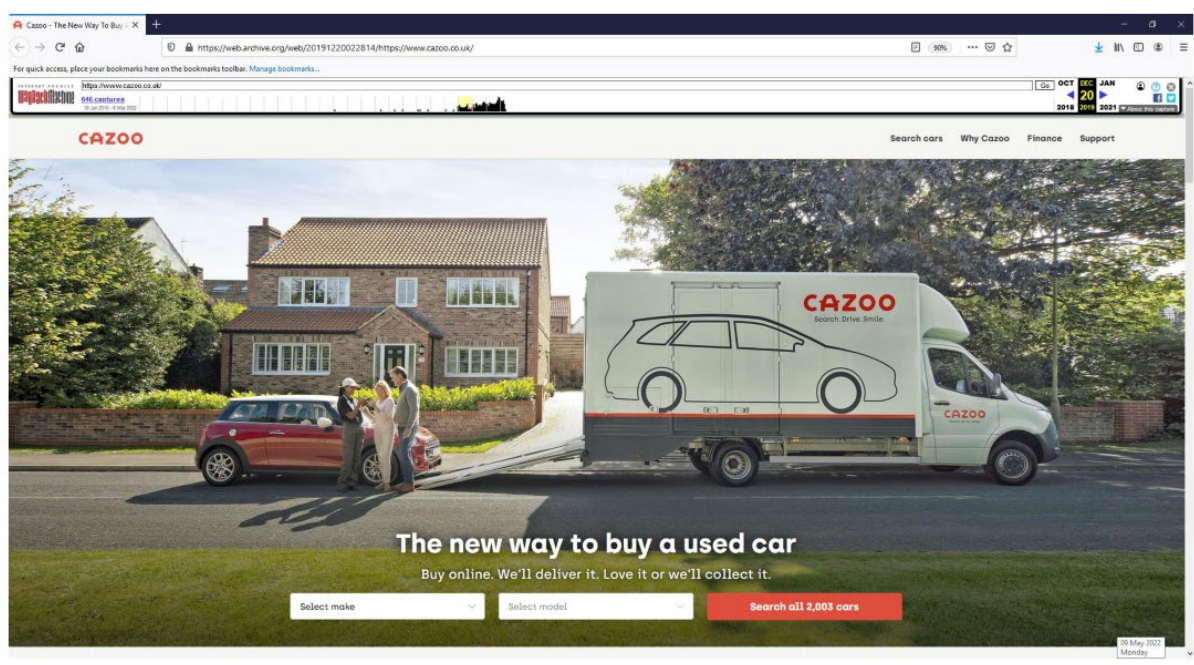
25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

49. Cazoo was launched in 2019 with the aim of simplifying the way in which cars can be bought. The customer views images of cars on a website, makes a purchase, and their chosen car is delivered to their door within 72 hours in the kind of delivery vehicle shown in this website screenshot from 20 December 2019: ⁹



50. Customers may also arrange to pick up their car from one of a number of customer centres across the country. As at 2 June 2021, such centres could be found in Birmingham, Bishop Auckland, Bristol, Cardiff, Chertsey, Doncaster, Exeter,

⁹ Exhibit MH2, page 1.

Grangemouth, Ipswich, Manchester, Newport Pagnell, Northampton, Southampton, Tamworth, Tonbridge, Wembley and Leeds.¹⁰ In addition, customers may drop off cars that they wish to sell or have their vehicle serviced at these centres. As above the mark is used in stylised form, but the consumer will easily identify the word “CAZOO”.

51. The business grew quickly. Exhibit MH3 contains an article from Sky News dated 22 June 2020 reporting that Cazoo was the fastest ever UK start-up to achieve a market valuation of \$1bn.¹¹ Mr Haynes states that revenue increased from £1.2m in 2019 to £668m in 2021. The volume of retail car sales is shown in the table below:¹²

| Year | No. of retail car sales |
|------|-------------------------|
| 2019 | 107 |
| 2020 | 12,097 |
| 2021 | 34,731 |

52. The relevant date is 28 June 2021 and so not all the 2021 sales can be taken into account, although it is probable that six months’ trading would have produced a reasonable proportion of the total figure. It is possible that some of the sales may also have occurred outside the UK. A press release announcing financial results for the fiscal year ending 31 December 2021 states that the company began trading in France and Germany in 2021, but the exact dates are not given.¹³

53. The average numbers of monthly unique UK-located visitors to the opponent’s website are as follows:¹⁴

¹⁰ Exhibit MH5.

¹¹ Exhibit MH3, page 1.

¹² Witness statement, paragraph 14.

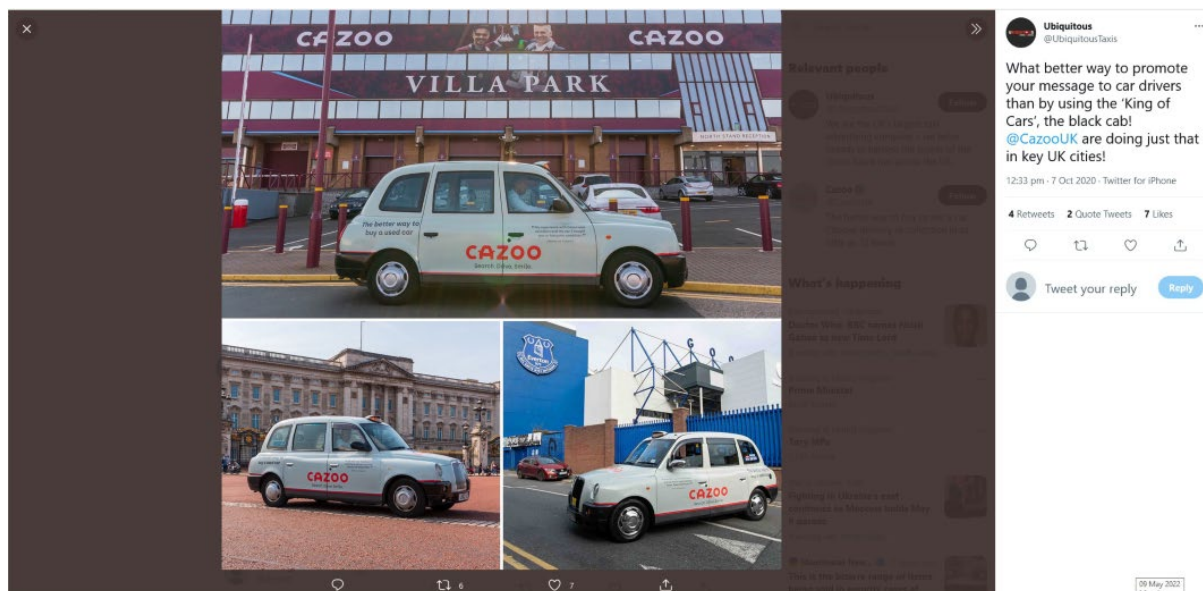
¹³ Exhibit MH13, pages 1-4.

¹⁴ Paragraph 8.

| Year | No. of UK average monthly unique visitors |
|------|---|
| 2019 | 195,000 |
| 2020 | 763,000 |
| 2021 | 1,631,000 |

54. The opponent's marketing spend was over £65m in 2021.¹⁵ Again, not all of this expenditure will relate to the period before the relevant date. The evidence gives examples of how the mark was promoted. Advertisements were placed on ITV, Channel 4 and Sky channels in 2020 and the first half of 2021, and services were promoted on a range of social media channels, such as Facebook, Twitter and Instagram. Mr Haynes states that the number of followers for each of these channels are over 35,800, over 26,400 and over 20,000 respectively. It is not clear where they are located but he claims that the accounts are UK-centric and so it can be inferred that the majority of the followers are based in the UK.¹⁶ It is unclear how many followers these accounts had at the relevant date.

55. Other campaigns included promotion on taxis in cities such as London, Birmingham and Liverpool, as the tweet below from 7 October 2020 shows:¹⁷

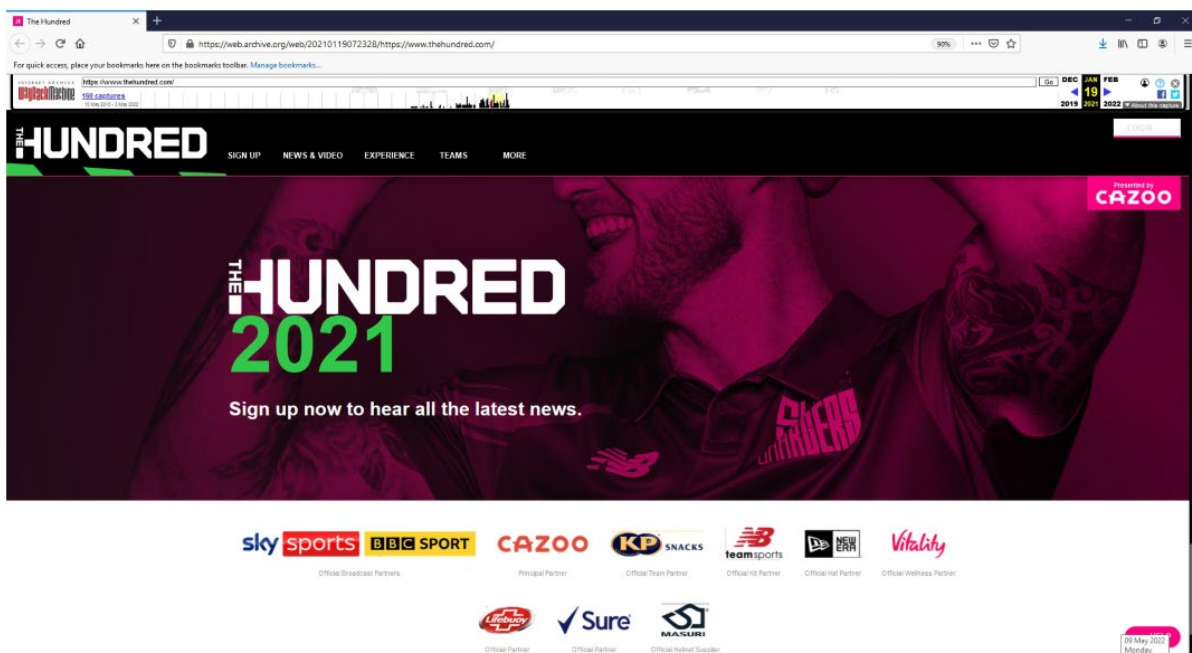


¹⁵ Paragraph 9.

¹⁶ Paragraph 13.

¹⁷ Exhibit MH8, page 4.

56. The opponent has also sponsored a number of sports teams and events. Before the relevant date, these included shirt sponsorship of football teams Aston Villa and Everton, sponsorship of The Derby Festival in June 2021, and World Snooker tournaments from February 2021. Cazoo was also the principal partner of the new cricket competition The Hundred for its inaugural season in 2021. Even though the games may not have been played before the relevant date, the following screenshot from The Hundred's website was available on 19 January 2021 and so visitors would have seen the opponent's name.¹⁸ Again, although it appears in the stylised form, the name "CAZOO" is easily identifiable as a mark of origin.



57. The advertising and promotional activities are directed towards UK customers and in my view would have resulted in a good level of exposure to the relevant public. I am satisfied that the opponent has shown that the mark had a reputation at the relevant date for the online retailing of cars. The company moved into the market for vans (i.e. light motor vehicles), but this was not until 23 February 2022, which is after the relevant date.¹⁹ I cannot see evidence of sales relating to parts or accessories. I find that the mark has a reputation for the following services: *The bringing together, for the benefit of others, of cars [and] used cars ... enabling customers to conveniently view and*

¹⁸ Exhibit MH11, page 19.

¹⁹ Exhibit MH4, page 7.

purchase those goods ... online, online retail services relating to cars [and] used cars
....

Link

58. In assessing whether the public will make the required mental link between the marks, I must take account of all relevant factors, which were identified by the CJEU in *Intel* at paragraph 42 of its judgment. I shall consider each of them in turn.

The degree of similarity between the conflicting marks

I found the marks to be visually similar to a medium degree and aurally similar to a high degree. No conceptual comparison could be made.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

Under section 5(2)(b), the opponent was relying on a different group of services, and I found the contested services to be identical or similar to at least a medium degree. Customers buying a car will often do so through a finance package and so I consider that there is a low degree of similarity between the opponent's services for which it has a reputation and those services related to financial transactions, payments and services generally, on the basis of shared trade channels and some degree of complementarity. These are: *Monetary transaction services; Financial transaction services; Arranging financial transactions; Online financial transactions; Financial transfers and transactions, and payment services; Financial services provided by electronic means*. However, those services that are related to investment, currency and securities trading, and analysis are, in my view, dissimilar to the opponent's services. This is not, in itself, fatal to a finding of a link. In the same way, given the online nature of the opponent's services, the contested *Providing temporary use of non-downloadable computer software and application software for use in relation to online and electronic retail and payment....* These are services that are complementary to the opponent's online services. I find the applicant's remaining Class 42 services to be dissimilar.

The strength of the earlier mark's reputation

Although the opponent has not been trading for a particularly long time, I consider that the reputation it has built over that period is fairly strong thanks to the investment in promoting the mark and the speed of its growth.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

I found that the earlier mark had a high level of distinctive character.

Whether there is a likelihood of confusion

Where there is similarity between the marks, I find that there is a likelihood of confusion, bearing in mind the high level of distinctive character of the earlier mark and the high degree of aural similarity and medium degree of visual similarity between the marks, the lack of a conceptual hook and the imperfect recollection of the average consumer.

59. Where there is a likelihood of confusion, there is automatically a link between the marks. This is the case for the following contested services:

Class 36

Monetary transaction services; Financial transaction services; Arranging financial transactions; Online financial transactions; Financial transfers and transactions, and payment services; Financial services provided by electronic means.

Class 42

Providing temporary use of non-downloadable computer software and application software for use in relation to online and electronic retail and payment

...

60. The remaining Class 36 services are specialist ones and, in my view, the earlier mark would not be brought to the mind of the relevant public when they encounter the later mark used in the context of these services. Again, I emphasise that the earlier services I found to be identical or similar under section 5(2)(b) were all services in

Class 36, not Class 35. The services are simply too far apart here. The section 5(3) ground fails for all the remaining Class 36 services not listed in the previous paragraph.

61. I turn now to the remaining Class 42 services. The reputation of the earlier mark is in online services relating to the retailing of cars, and I consider that the financial services for which temporary use of software is provided are highly specialist and the public will not therefore make a link between the two marks. Even for the more general software and hardware-related services, it is my view that the relevant publics will be different. The evidence suggests that the opponent's car retail services are aimed towards the general public, rather than business consumers. Many services are provided online, and that fact alone is insufficient for the earlier mark to be brought to the mind of the relevant public if they were to see the contested mark used for the applied-for services. The section 5(3) ground fails for all the remaining Class 42 services not listed in paragraph 59.

Damage

66. For those services where I found a likelihood of confusion, the contested mark would derive an unfair advantage, as consumers would be likely to buy the applicant's services under the impression that they came from the opponent. As the applicant has not shown that it has due cause to use the contested mark, the section 5(3) ground succeeds in respect of the following services:

Class 36

Monetary transaction services; Financial transaction services; Arranging financial transactions; Online financial transactions; Financial transfers and transactions, and payment services; Financial services provided by electronic means.

Class 42

Providing temporary use of non-downloadable computer software and application software for use in relation to online and electronic retail and payment

...

OUTCOME

67. The opposition has been wholly successful under section 5(2)(b) and partially successful under section 5(3). Application No. 3661160 is, subject to the outcome of any appeal, refused.

COSTS

68. The opponent has been successful in these proceedings and is entitled to a contribution towards its costs in line with the scale set out in Tribunal Practice Notice 2/2016. The award is calculated as follows:

Preparing a statement and considering the other side's statement: £300

Preparation of evidence: £800

Preparation of submissions in lieu of attendance at a hearing: £300

Official fees: £200

TOTAL: £1600

69. I therefore order CS Solutions Technology Ltd to pay Cazoo Ltd the sum of £1600, which 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.

Dated this 23rd day of November 2022

Clare Boucher
For the Registrar,
Comptroller-General