

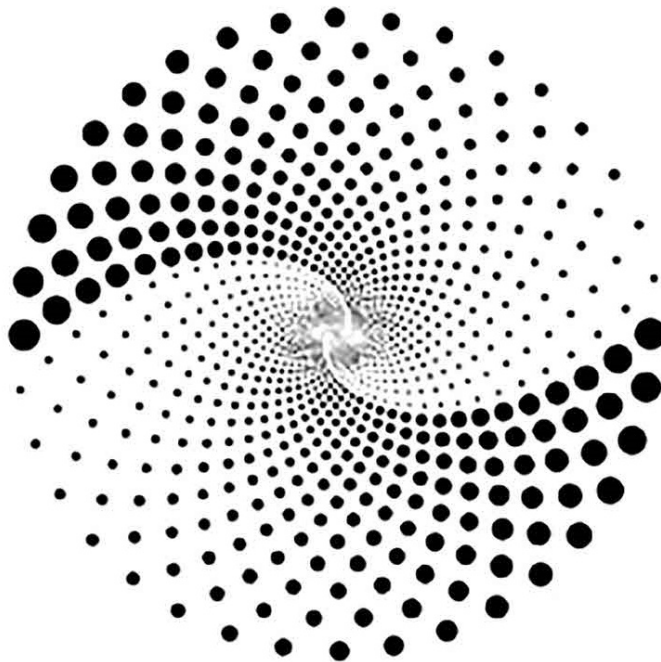
BL O/601/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003597211

BY DENG FEI

FOR THE FOLLOWING TRADE MARK:



IN CLASS 36

AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY

UNDER NO. 504050

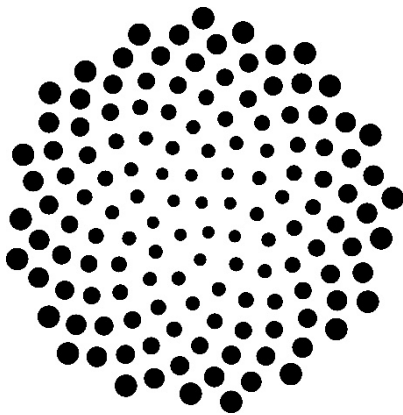
BY MERCIA FUND MANAGEMENT LIMITED

BACKGROUND AND PLEADINGS

1. Deng Fei (“the proprietor”) applied to register the trade mark shown on the cover page of this decision (“the Contested Mark”) in the UK on 18 February 2021. It was registered on 25 June 2021 for the following services:

Class 36 Capital investment; Financial investment analysis and stock research; Stocks and bonds brokerage; Financial services; Financial management; Financial information and evaluations; Financial advice and consultancy services; Financial analysis and research services; Financial forecasting; Investment of funds.

2. On 4 August 2021, Mercia Fund Management Limited (“the applicant”) applied to have the Contested Mark declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The application is based upon section 5(2)(b). The applicant relies upon the following mark:



UK registration no. UK00003060841

Filing date 20 June 2014.

Registration date 28 November 2014.

3. The applicant relies upon all of the services for which its mark is registered, as set out in the Annex to this decision. Under section 5(2)(b) the applicant claims that there is a likelihood of confusion because the services are identical, and the marks are highly similar.

4. The proprietor filed a counterstatement denying the claims made.

5. The proprietor is represented by Handsome I.P. Ltd, and the applicant is represented by HGF Limited. Neither party requested a hearing, but the applicant filed evidence in chief and written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

6. The applicant's evidence consists of the witness statement of Mark Payton which is dated 17 January 2022. Mr Payton is the Chief Executive Officer for the applicant, a position which he has held for 7 years. Mr Payton's statement was accompanied by 9 exhibits (MP1-MP9).

7. Whilst I do not propose to summarise it here, I have taken all of the evidence and the parties' submissions into consideration in reaching my decision and will refer to it where necessary below.

DECISION

8. Section 5(2)(b) of the Act has application in invalidation proceedings pursuant to section 47 of the Act. Section 47 reads as follows:

“47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2ZA) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 5(6).

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D)-(2DA) [Repealed]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are-

(a) that on the date in question the earlier trade mark was liable to be declared invalid by virtue of section 3(1)(b), (c) or (d), (and had not yet

acquired a distinctive character as mentioned in the words after paragraph (d) in section 3(1));

(b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2);

(c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

(3) [...]

(4) [...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

9. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied 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.

Section 5(2)(b)

10. Section 5(2)(b) reads as follows:

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

(a)...

(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.”

11. The trade mark upon which the applicant relies qualifies as an earlier trade mark because it was applied for at an earlier date than the proprietor’s mark pursuant to section 6(1)(aa) of the Act. As the earlier trade mark had completed its registration process more than five years before the date the applicant applied to invalidate the contested mark, it is subject to proof of use pursuant to section 6A(1) and (1A) of the Act.

Proof of use

12. The relevant provisions about proof of use in invalidity proceedings are contained in Section 47 of the Act, which I have set out above. Section 100 of the Act is also relevant, which reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

13. Pursuant to section 47(2B) of the Act, if the earlier mark has been registered for five years or more at the date the challenged mark was filed then there are two relevant

periods for assessing whether there has been genuine use of the applicant's mark; the five-year period ending with the date of the contested mark being filed, i.e. 19 February 2016 to 18 February 2021 and the five-year period ending with the date of the application for invalidity, i.e. 5 August 2016 to 4 August 2021.

14. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer

or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no de minimis rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

Form of the mark

15. In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union (“CJEU”) found that (my emphasis):

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

16. In *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the test under s. 46(2). He said:

"13. [...] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EU*IPO*, EU:T:2020:22, [63 and 64]).

14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.

15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.

16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word “MEDIA” would affect the distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still”.

17. Where the applicant's mark has been used as registered this will, clearly, be use upon which the applicant can rely.

18. I note that the following variations of the mark have been used throughout the applicant's evidence:



19. In the instant case, the device mark is identical to the device element in the composite mark. With *Colloseum* in mind, I see no reason why the use of the device mark as part of the composite mark would not be qualifying use of the device mark itself, provided that it still indicates origin.

20. Whilst I recognise that the word 'mercía' is highly distinctive and plays an equal part in the composite mark to the device, I have no doubt that the device is, of itself, distinctive of the services upon which the applicant seeks to rely. It is also, in my view, capable of indicating the origin of the services, notwithstanding the fact that it appears only to have been used alongside other matter. Use of the device mark as part of the composite mark is, therefore, use of the device mark, which falls within the provisions of section 6(A)(4)(a) of the Act and upon which the applicant may rely.

Sufficient/genuine use

21. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.¹

22. As indicated in the case law cited above, use does not need to be quantitatively significant in order to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as “warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark”.

23. As the earlier mark relied upon is a UKTM, I must consider the UK as the market in which the applicant is required to show genuine use.

24. After being founded in 2010, the applicant in 2014 became a wholly-owned subsidiary of Mercia Technologies PLC, which was then renamed as Mercia Asset Management PLC. The Mercia Group is a specialist proactive asset manager with a focus on regional businesses seeking venture, private equity or debt finance.

25. Mr Payton has provided the following breakdown of the applicant’s growth during the relevant period:

Period	Number of Direct Investments	Value of Direct Investments	Funds under management	Assets Under Management	Turnover	Number of University Partnerships
2016/2017	24	£52,000,000	£336,500,000	[not reported]	£6,660,000	18
2017/2018	26	£66,100,000	£400,000,000	£500,000,000	£10,197,000	19
2018/2019	26	£87,700,000	£381,000,000	£507,000,000	£10,675,000	19

¹ New Yorker SHK Jeans GmbH & Co KG v OHIM, T-415/09

2019/2020	25	£87,500,000	£658,000,000	£800,000,000	£12,747,000	19
2020/2021	23	£96,200,000	£764,000,000	£940,000,000	£17,685,000	19

26. The above, therefore, shows that during the relevant period the applicant had assets under their management.

27. I also note that at **exhibit MP5**, the applicant has provided a number of invoices which display the applicant's mark. I note that the majority of the information has been redacted, including the location of their customers and the invoice amount. I also note that some invoices were completely redacted. However, I was able to obtain the following information:

Date	Service
01/04/2016	Monitoring fee in respect of the investment made by the North West Fund.
01/07/2016	Directors fee in respect of the services provided by Mr David Best
30/04/2016	Annual monitoring fee
31/10/2016	Legal services
30/09/2016	Initial management fee
12/09/2016	Monitoring fee in accordance with July 2016 Investment agreement
31/12/2015	Initial Management fee
19/01/2017	Arrangement fee in respect of investment made on behalf of Finance Yorkshire Small Loan LP
01/04/2017	Monitoring fee in respect of the investment made by the Coalfields Enterprise Fund
01/08/2017	Legal services in accordance with the July 2017 convertible loan agreement
10/04/2015	Investment- March 2015, Directors fees 26/3/15 to 30/6/15
07/12/2017	Legal fees
02/01/2018	Directors fee in respect of the services provided by Mr David Best
03/04/2018	Annual monitoring fees
16/05/2018	Initial Management fee
01/06/2018	Annual monitoring fee: Quarter 2 April to June 2018
30/08/2018	Finance review including construction of financial forecast model
03/09/2018	Annual monitoring fee: Quarter July to September 2018
01/10/2018	Directors fee- July to September 2018, MGF 6 Investment April 17

16/01/2019	Arrangement fee in respect of investment made on behalf of the NPIF Y&H Debt LP
01/04/2019	Directors fee in respect of the services provided by Graham Davies
01/07/2019	Monitoring fee in respect of the investment made by the Finance Yorkshire Seedcorn LP
01/08/2019	Direct monitoring fee for the period – August 19
02/09/2019	Direct monitoring fee for the period September to November 2019
16/01/2020	Arrangement fee in respect of the investment made on behalf of the NPIF Y&H Debt LP
01/04/2020	Monitoring fee in respect of the investment made by the North West Fund for the period April – June 2020
01/06/2020	Direct monitoring fee for the period June – August 2020
16/07/2020	Arrangement fee in respect of on behalf of the NPIF Y&H Debt LP fund
02/12/2019	Direct monitoring fee for the period December 2019
03/08/2020	Direct monitoring fee for the period August 2020
01/10/2020	Directors fee in respect of the services provided by Mr Graham Davies for the period October 2020
02/02/2021	Initial management fee, for the subscription from Mercia Investment Plan LP

28. I also note that on some of the invoices, the applicant's address is based in Warwickshire (B95 5AA), and that only a few of the applicant's customer addresses are provided, all of which are based in Preston.

29. I note that within **exhibit MP1**, Mr Payton has provided extracts from the applicant's website, which approximately attracts 16,000 visitors a month. I note the following from this exhibit:

- In 2021, the applicant sells OXGENE, in which it held 32.1% direct holding in the business prior to completion, receiving cash proceeds of £30.7 million (their largest cash exit to date). The same reaffirmed the significant opportunity and value creation offered by the applicant's 'funds first' hybrid investment model.
- The applicant backed the company Refract in 2016 and made a follow-up investment in 2017. In 2020, the applicant achieved a 1.8x return on its original investment equal to a 20% IRR.
- In November 2020, the applicant completed the successful exit of Agilitas IT. In 2014, the applicant invested £6.4 million into Agilitas IT as part of a

management buyout. It was sold to the international private equity investor Perwyn, providing an 8.4x return.

- In October 2020, the applicant sold its stake in Clear Review for a cash consideration of £26 million. The transaction followed a combination of the applicant's managed funds in 2018 and then a direct investment in 2019. The applicant held a 4% fully diluted direct holding in Clear Review at the date of sale and received cash proceeds of £1 million representing a 2x return on its investment and a 72% IRR.
- The applicant has £800 million assets under management, including more than £50 million of EIS capital. The applicant sold its stake in The Native Antigen Company, the sale is for the total cash consideration of up to £18 million.
- In 2019, the applicant completed the acquisition of the venture capital trust fund management business of NVM Private Equity LLP.
- In July 2019, the applicant had 85 investment professionals and support staff.
- In 2018 the applicant was awarded the £27 million Venture Fund to support business across the North East region.
- In 2018, the applicant's second largest direct investment holding is sold for £16.9 million.
- In 2018, the applicant is awarded a £23 million Proof-of-Concept and Early Stage Equity Fund.
- In 2017, the applicant won significant new contracts totalling £108.5 million with British Business Bank, increasing its third-party funds under management by nearly 50% to over £336.5 million.
- In 2016, Allinea Software is sold for £18.1 million.
- In 2016 the applicant increases the number of university partnerships to 18.
- In 2015, the applicant opened an office in Edinburgh and begins partnerships with universities including University of Strathclyde, York and Liverpool.
- In 2014, the applicant was listed on AIM, raising £70 million.

30. **Exhibit MP2** also contains extracts from the applicant's website, which clearly displays the applicant's mark. I note that on the 'what we do page' it states that "we aim to be the first-choice provider of capital across our specialist private capital classes for businesses that typically seek less than £10million." The exhibit also highlights that

the applicant has collaborative relationships with 19 UK universities “which provide approximately 20% of our all investment activity”.

31. **Exhibit MP2** also contains an ‘Investor Relations Update’ which is dated October 2017. It contains the applicant’s direct portfolio of investments. I note the following from this brochure:

- Their direct investment portfolio value had increased by £13.9 million to £52 million, including net fair value gains of £4.3 million.
- £11.7 million invested in 15 portfolio companies.
- Allinea Software was sold to ARM on a full cash basis providing an 88.4% uplift on the Group’s direct investment cost.
- “A sustainable funnel of potential new investment opportunities for Mercia’s balance sheet continued to expand as a result of significant new third party fund mandate wins which scaled the Group’s fund management business from circa £222.0million to circa £336.5million”.
- A profit of £1 million was reported for the financial year.
- It clearly displays the applicant’s mark.

32. **Exhibit MP4** contains extracts from the applicant’s 2017, 2020 and 2021 annual reports which all display the applicant’s mark. I note the following:

2021 Annual Report

Direct investment activity

- £15.4million net invested into 19 portfolio companies during the year (2020: £15.7million into 18 portfolio companies)
- Direct investment portfolio increased to £96.2million (2020: £87.5million)
- Four direct investment portfolio exits generated £20.3million in realised gains (2020: £nil)
- Fair Value Movements (“FVM”) £10.1million increase (2020: £15.8million decrease).

Fund management activity

- 2,826 enquiries in the year
- c.£78million of regional equity into 108 companies; c.£17million of regional debt into 65 companies
- 10% of investment in London / South East England, 90% in other regions of the UK
- 467 jobs created in the year by regional venture.

Operational highlights

- Third-party Funds under Management (“FuM”) increased to c.£764million (2020: c.£658million) contributing £18.2million in revenue (2020: £11.7million)
- Venture FuM c.£600million (2020: c.£476million)
- Private equity FuM c.£54million (2020: c.£60million)
- Debt FuM c.£110million (2020: c.£122million)
- COVID-19 resilient; no staff were furloughed or made redundant and no direct Government support was utilised
- Portfolio support, fund administration and investment team built in anticipation of further scale of AuM
- Systems now fully digitalised during the year to enable efficiency and scale
- ESG team built with diversity the number one point of focus for the next financial year.

Mercia by numbers

c.£940m

Assets under Management ("AuM")

2020: c.£800m

£19.2m*

Revenue
2020: c.£12.7m

£3.3m*

Adjusted operating profit
2020: £0.5m

£34.5m

Profit after tax
2020: £17.5m loss

0.3 pence/share

Proposed final dividend
2020: Nil

£176.0m

Net assets
2020: £141.5m

40.0 pence

Net assets per share
2020: 32.1 pence

10

Profitable exits
2020: 5

17

Shadow portfolio companies

£314.0m

Total liquidity
2020: c.£320m

Strategic report
Governance
Financial statements

33. I also note the following:

- £79 million was invested in regional businesses during 2021.
- Approximately 100 employees are located in 8 UK offices.
- Approximately £940 million worth of assets under management.
- Approximately 430 companies in the applicants portfolios.
- The applicants direct investment portfolio increased to £96.2 million.
- Approximately £78 million in private equity investments in 108 companies.
- Approximately £17 million in dept equity financing into 65 companies.

2020 Annual Report

- Number of portfolio businesses: 390
- Available capital: £320 million
- Assets under management: £800 million
- Funds under management: £658 million
- The other following figures are provided within the report:



2017 Annual Report

- 24 direct investments referred to as “Mercia’s Emerging Stars”
- £11.7 million invested in 2016/2017
- £52 million value of Emerging Stars portfolio
- 36.5% growth in portfolio value
- £1 million profit
- £121.4 million net asset value

34. **Exhibit MP6** contains multiple newsletters and event invitations by the applicant. It includes a webinar invitation called “The importance of being data savvy” dated 2 November 2021. The spaces were limited to a maximum of 25 guests, albeit the applicant does not clarify if all of these spaces were filled. The second invitation is to

company drinks at Browns Brasserie & Bar Nottingham on 23 November 2021. The third invitation is a Mercia Partner Forum Webinar on 15 September (no year provided).

35. **Exhibit MP6** also contains a non-exclusive newsletter for July. I note that the year is not provided. I note that it also includes the following information:

- The applicant's "DNA is centred on being a Responsible Employer and a Responsible Investor".
- "Our purpose is to responsibly provide capital, be it debt, private equity, venture or a combination of these through our regional offices exclusively to UK-based SMEs."
- "This financial year has seen Mercia invest in a record 173 companies, of which 76 were brand new to us. As well as a record investment run rate for the year, we have also benefited from a record number of exists delivering 10 across the Group."
- "AuM increased by c.18% this past year, rising from c.£800m to c.£940m".
- "Consolidated net assets increased from c.£142m to c.£176m and third-party FuM increased from c.£658m to c.£794m over the past year."
- The applicant has "invested £14m into 26 high growth businesses from our Midlands Engine Investment Fund (MEIF)".

36. On page 7 of **exhibit MP6** is an email regarding delivering to their clients six exits and "returning more money to investors than we raised in a record year".

37. I note that all of the above invitations and newsletters use the applicant's mark.

38. Lastly, a report from Hubspot detailing the applicants email performance for the period of 13 December 2020 to 13 December 2021 is exhibited at **MP6**. This includes a 98.82% delivery rate, with 31,223 emails sent, with an open rate of 22.25% and a reply rate of 0.25%.

39. At **exhibit MP7**, Mr Payton has provided screenshots from the applicant’s LinkedIn. The mark is used in the applicant’s profile picture. The page has 5,715 followers, and in its ‘about’ section, the applicant is described as “a proactive, specialist asset manager focused on supporting regional businesses to achieve their growth and aspirations”. The posts which are exhibited promote a Brexit webinar, the Mercia Podcast and a ‘Meet the Funder’ event with an Investment associate. I note that all of the screenshots are undated.

40. Mr Payton has also provided the following advertising expenditure figures, albeit the figures have not been broken down into the services advertised:

Year	Advertising Expenditure
April 2020 – March 2021	£332,000
April 2019 – March 2020	£279,000
April 2018 – March 2019	£155,000
April 2017 - March 2018	£223,000
April 2016 – March 2017	£209,000
February 2016 – March 2016	£3,000

41. Mr Payton states that **exhibit MP8** contains the following promotional materials:

42. An article titled “2016 – A year of growth as Mercia’s team strengthens” on the applicant’s website dated 26 February 2016. This clearly displays the applicant’s mark. The applicant is described as “a Midlands-based investment group building, funding and commercialising technology businesses in the UK”.

43. An article titled “Medherant Ltd. Completes £1.5M Fundraising Round for Transdermal Drug Delivery Platform” dated 27 September 2016. The article states that “Medherant Ltd., a University of Warwick spin-out developing a novel transdermal drug delivery patch technology, has completed a funding around word £1.5M including a direct investment of £650,000 from Mercia Technologies PLC.” Mark Payton is also quoted within the article stating that “Mercia has worked closely with the Medherant

team and the relationship is an excellent example of our Complete Capital Solution helping develop UK companies and ultimately deliver a shareholder value to our shareholders.”

44. Screenshots of videos from the applicant’s YouTube channel including:

- A video titled “Technology investment: A Year In Review for Mercia” dated 2 February 2016. This video has 434 views, and the channel has 40 subscribers.
- A video titled “Mercia Technologies and the Northern Powerhouse” dated 24 August 2016. This video has 136 views.
- A video titled “Mercia in 2016: how the business has grown and evolved” dated 19 December 2016. This video has 232 views.
- A video titled “Celebrating Tech 2018” dated 24 October 2018. This video has 45 views.
- A video titled “Focus, Build, Deliver: The Mercia Story” dated 26 March 2019. This video has 86 views.
- A video titled “Life at Mercia” dated 8 July 2019. This video has 45 views.
- I note that the above all display the applicant’s mark.

45. A press announcement and case study by OSM relating to a web design project for the applicant. I note the following from this part of the exhibit:

- The applicant is described as a “national investment group focused on the funding and scaling of innovative businesses with high growth potential in UK regions”.
- “The Group benefits from 19 university partnerships and eight offices across the UK, providing it with direct access to high quality, regional deal flow. From seed through to exit, Mercia is well placed to deploy a full range of equity and debt capital, from seed rounds of £100,000 to funding rounds of £10.0million, through its ‘Complete Capital Solution’.”
- Use of the applicant’s mark is displayed within the two pictures shown within this article.

46. An article titled “Mercia Technologies PLC’s fun management subsidiaries rebranding as Mercia Fund Managers” on businesslancashire.co.uk dated 3 October 2017. This article reiterates that, again, the applicant is a national investment group.

47. A screenshot from Cenkos which is a website of leading securities firm. On its transactions page, it shows that Cenkos invested in the applicant £71 Million in December 2014, and £40 million in February 2017.

48. A screenshot from NPIF titled “Enterprise Ventures expands its NPIF equity team” dated 5 September 2017. I note that Enterprise Ventures are a part of the applicant, and JS is appointed as Investment Manager in the early stage of the equity team. The applicant’s mark is displayed within the picture used within the article.

49. An article from bdaily.co.uk titled “Mercia completes over £14m of investments in Yorkshire and the Humber for 2017” dated 3 January 2018. The article details that the applicant invested more than £14 million in over 50 companies in Yorkshire and the Humber, and that they have also opened new offices in Sheffield and Leeds.

50. An article from businessinnovationmag.co.uk titled “Mercia Investment Grows” dated 6 February 2018. I note that in 2017, the applicant invested over 48 million nationally, “highlighting it as one of the UK’s most active technology investors and a key source of funding a scaling for regional SMEs”. It has over 70 people in 8 locations across the UK, and partners with 19 universities. “It has also increased its third-party funds under management from £220 million at the start of the year to in excess of £350 million as of 31 December 2017”. The applicant’s mark is displayed within the article.

51. A PDF called “Key Information Document” which relates to the applicant’s EIS Fund Q4. I note that the “Mercia EIS Fund is an Alternative Investment Fund (AIF) that invests in high-growth technology businesses that we believe have the potential to deliver high-multiple returns, focusing on the underserved regions of the UK”. “Investors can expect 15-20 underlying investments to be made on their behalf within 6-12 months of the Fund closing date”. I note that use of the applicant’s mark is on the top right hand corner of the document.

52. An article from edisongroup.com titled “Mercia Technologies (MERC); reports £2.4m syndicated investment into Medherant” dated 21 May 2019. It reports that the applicant made an additional investment of £2 million in Medherant, in which the applicant holds a 33.6% direct equity stake in the business. I note that part of the applicant’s mark is displayed within the article.

53. An article from uktechnews.info titled “Pharmaseal closes £1 million seed investment from Mercia Technologies” dated 6 May 2019. The article states that “PHARMASEAL International secured the investment from MEIF Proof and Concept & Early Stage Fund, which is managed by Mercia Fund Managers and part of the Midlands Engine Investment Fund”.

54. Mr Payton also provides a list of awards won by the applicant which include:

- EISA Best Innovation, Newcomer or Rising Star Company 2014 was jointly won by Intelligent Partnership and the applicant
- Best SEIS Fund Manager 2014
- Industry Game Changer award from Growth Investor Awards 2015
- EY Entrepreneur of the Year 2015 – Mark Payton
- OBN Awards 2016- Highest Impact Investor Winner. I note that this is supported by a screenshot in **exhibit MP9**, whereby the applicant won “for focusing on the creation, funding and scaling of early stage, innovative technology business with high growth, global potential from the UK regions”.
- Best EIS Investment Manager at the Growth Investor Awards 2017
- EIS Best Single Sector sponsored by Investment Week 2016/17
- EIS Best Single Sector sponsored by Investment Week 2017/18
- EIS Best Single Sector sponsored by Investment Week 2018/19
- Best Single Sector Winner- EIS Tax Efficiency Awards 2018
- Growth Investor Awards, Winners 2020
- EISA Best EIS Exit 2020
- EISA Awards Impact Award winner 2021
- EISA Awards Best EIS Investment Manager 2021- Highly Commended

55. The applicant's evidence confirms that the applicant has been operating since at least 2014 and throughout different locations across the UK. The applicant has also provided the number of direct investments, the value of the direct investments, funds and assets under management, number of university partnerships and turnover made during the relevant period. I note that these figures are extensive and that they are supported by sample invoices from the relevant period. I note that although I have not been provided with any market share figures, I consider that the figures provided seem notable for what is likely to be a significant market within the UK. I have also been provided with high advertising figures. The only evidence of marketing activity provided by the applicant is in the form of social media posts and YouTube videos, as well as multiple third party publications which mention the applicant and use the applicant's mark. Taking all of the above into account, I am satisfied that the applicant has demonstrated genuine use of its mark in the UK during the relevant period.

Fair Specification

56. I must now consider whether, or the extent to which, the evidence shows use of the services relied upon. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

57. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the

specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

58. The services for which the earlier mark is registered and upon which the applicant relies are a broad range of business services in class 35 and financial services in class 36.

59. However, as set out above, it is clear from the applicant's evidence that use of the earlier mark has been limited to investment and management financial services in class 36. I consider that the applicant has provided significant figures for investments and funds/asset management, which is also supported by annual reports, invoices and third party publication evidence.

60. For the applicant's "financial services", I consider that this is too wide a specification because it could cover, for example, banking services, which the applicant does not provide. Consequently, I consider a fair specification for the applicant's mark to be:

Class 36 Venture capital financing; investment services; financial management services; information, research, advice and consultancy relating to the aforesaid services.

Section 5(2)(b) case law

61. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well

informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

62. The competing services are as follows:

Applicant’s services	Proprietor’s services
<p><u>Class 36</u> Venture capital financing; investment services; financial management services; information, research, advice and consultancy relating to the aforesaid services.</p>	<p><u>Class 36</u> Capital investment; Financial investment analysis and stock research; Stocks and bonds brokerage; Financial services; Financial management; Financial information and evaluations; Financial advice and consultancy services; Financial analysis and research services; Financial forecasting; Investment of funds.</p>

63. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in Canon, Case C-39/97, the court stated at paragraph 23 that:

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

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

64. Guidance on this issue has 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 uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors

65. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut for 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.”

66. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

67. In *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another*, [2000] F.S.R. 267 (HC), Neuberger J. (as he then was) stated that:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations”... anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context.”

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

“... there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think the responsibility for those goods lies with the same undertaking.”

69. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. chicken against transport services for chickens. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted, as the Appointed Person, in *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes.”
Whilst on the other hand: “... it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

Whilst on the other hand:

“... it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.”

Financial services

70. I consider that all of the applicant’s services fall within the broader category of “financial services” in the proprietor’s specification. I consider them identical on the principle outlined in *Meric*.

Financial management

71. I consider that the applicant’s “financial management services” are self-evidently identical to the proprietor’s “financial management” services.

Capital investment; Financial investment analysis and stock research; Investment of funds

72. I consider that the proprietor's above services fall within the broader category of "investment services" in the applicant's specification. I consider them identical on the principle outlined in *Meric*.

Financial information and evaluations; Financial advice and consultancy services; Financial analysis and research services

73. I consider that "venture capital financing; investment services; financial management services; information, research, advice and consultancy relating to the aforesaid services" in the applicant's specification falls within the broader categories of "financial information and evaluations", "financial advice and consultancy services" and/or "financial analysis and research services" in the proprietor's specification. I consider them identical on the principle outlined in *Meric*.

Financial forecasting

74. The proprietor's above services would involve estimating future financial outcomes for a business, including expected expenses or projected income. I therefore consider that it may overlap with the applicant's "financial management services". The applicant's services would include looking at a company's finances, and can assist in its decisions regarding financial matters. Therefore, I consider that there would be an overlap in trade channels as both services would be provided by financial services/finance experts. I consider that they would also overlap in nature, method of use and user. However, they do not overlap in purpose as the proprietor's services are specially used for forecasting, whereas the applicant's covers a broader range of management services. I do not consider that they are in competition nor complementary. Taking the above into account, I consider that the services are similar to between a medium and high degree.

Stocks and bonds brokerage

75. The proprietor's above services involve the trading of stocks and bonds. I consider that this service is a type of investment service, and therefore overlaps with "investment services" in the applicant's specification. However, I consider that there wouldn't be an overlap in trade channels as the proprietor's services would be provided by a broker that specialises in stocks and bonds, whereas the applicant's services are more likely to be provided by investment firms which cover a broader range of investment services. I consider that the services would overlap in nature, purpose and user as they are investment services that would be used by the general public and businesses. However, they may not overlap in method of use. The services may be in competition, but I do not consider that they are complementary. Therefore, I consider that the services are similar to at least a medium degree.

The average consumer and the nature of the purchasing act

76. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' services. I must then determine the manner in which the services are likely to be selected by the average consumer. 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."

77. The average consumer for the financial services will be members of the general public or businesses. The cost of the services in question is likely to vary. I consider that the majority of the services will be purchased relatively infrequently by members of the general public, but relatively frequently by businesses. The average consumer

will take various factors into consideration such as the cost, type of services offered and the suitability of those financial services to the consumer's needs. I also consider that as the services provided are financial in nature, and therefore could involve significant sums of money, that between a medium and high degree of attention will be paid during the purchasing process.

78. The services are likely to be purchased from a specialist financial undertaking or online equivalent. Alternatively, the services may be purchased following perusal of advertisements or inspection of a business directory. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount that there may also be an aural component to the purchase through word-of-mouth recommendations or advice sought from financial advisors.

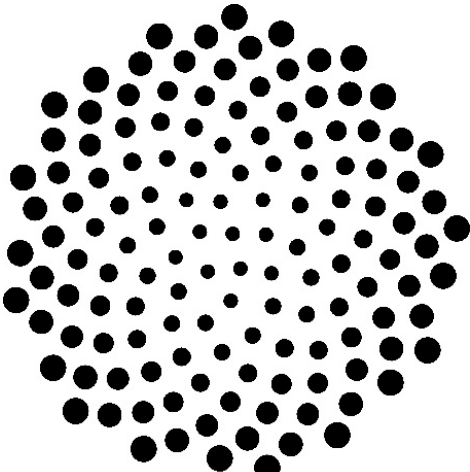
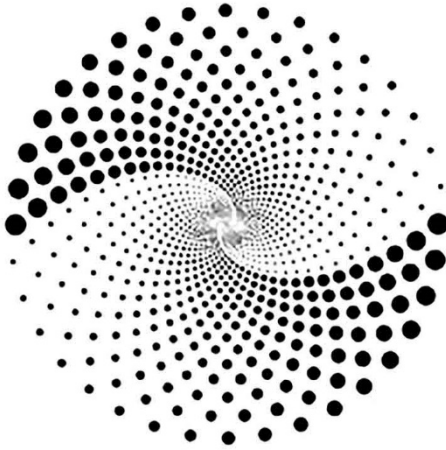
Comparison of the trade marks

79. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated, at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

80. 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.

81. The respective trade marks are shown below:

Applicant's trade mark	Proprietor's trade mark
	

82. The applicant's mark consists of an arrangement of black dots in a circular shape, which isn't smoothly rounded. I note that the proprietor submits that the mark comprises of 137 dots. The dots on the outer part are bigger, with the dots in the middle of the mark being smaller. I consider that the overall impression of the marks lies in the representation of the device as a whole.

83. The proprietor's mark consists of an arrangement of black dots in the shape of a circular vortex. The proprietor submits that it consists of approximately 1,000 black dots, that are "arranged in arcs, which spiral inwards from the perimeter of the circle towards the centre of the circle. Each arc comprises of dots of a different size, visually distinguishing each arc from its neighbouring arcs. The arcs are arranged into at least two distinct and dominant groups. A first group of arcs begins at the '9 o'clock' position on the perimeter of the circle, which a second group of arcs begins at the '3 o'clock' position at the perimeter of the circle. Individual arcs of each group spiral in a clockwise direction from the perimeter of the circle towards the centre of the circle. The first arc of each of the groups comprises dots of a larger overall size. As the arcs of the two groups repeat in a clockwise direction around the circle, the dots of each arc gradually diminish in size with each successive arc." I agree with this description, however, I

also note that the dots in the middle of the mark diffuse and create a blurred shape. I consider that the overall impression of the marks lies in the representation of the device as a whole.

84. Visually, the proprietor submits that the applicant's mark is "bounded within a flower shape form". However, I do not consider that the average consumer would see a flower shape. I consider that the average consumer will see the applicant's mark as being in a circular shape, albeit the edge of the circle isn't smoothly rounded. The applicant submits that "both marks are figurative representations of what is essentially an arrangement of dots "bounded in a circular form" (to quote the wording from the Registrant's counterstatement)". I agree and I consider that this is a visual similarity between the marks. However, I note that the proprietor's mark is comprised of more black dots, which significantly differ in size. This acts as a visual point of difference. Consequently, I consider that the marks are visually similar to at least a medium degree.

85. In *Dosenbach-Ochsner AG Schuhe und Sport v OHIM*, T- 424/10, the GC stated:

"46. A figurative mark without word elements cannot, by definition, be pronounced. At the very most, its visual or conceptual content can be described orally. Such a description, however, necessarily coincides with either the visual perception or the conceptual perception of the mark in question. Consequently, it is not necessary to examine separately the phonetic perception of a figurative mark lacking word elements and to compare it with the phonetic perception of other marks."

86. Therefore, in view of the above, it is not necessary for me to conduct an aural comparison.

87. Conceptually, Mr Payton states in his witness statement that the applicant's mark draws "inspiration from the 'Fibonacci sequence' which is a mathematical sequence consisting of a series of numbers in which each is the sum of the two that precede it". However, I do not consider that the average consumer would recognise this inspiration in this device. I consider that both marks will both be seen as abstract circular patterns,

which are made of dots of different sizes, which have no concept. Consequently, there is no conceptual comparison to be made.

Distinctive character of the earlier trade mark

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, 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 promotion of 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).”

89. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use that has been made of it.

90. I will begin by assessing the inherent distinctive character of the earlier trade mark.

91. The applicant's mark consists of a circular arrangement of black dots of different sizes, with the dots on the outer part being bigger, and the dots in the middle being a fraction smaller. In the absence of any conceptual significance, the mark cannot have a relationship with the services relied upon, directly or allusively. That said, I do not find the mark's aesthetic to be particularly elaborate. Consequently, I consider that the mark is inherently distinctive to no more than a medium degree.

92. The applicant has not pleaded that its mark has acquired enhanced distinctiveness. However, for the sake of completeness, I will make a finding as to whether I consider the evidence sufficient to demonstrate enhanced distinctiveness. The relevant market for assessing this is the UK market.

93. The applicant has provided turnover figures to enable me to assess the extent of use that has been made of the earlier mark. Turnover figures from 2016 to 2021 have amounted to nearly £58 million. I also note that the funds under management from 2016 to 2021 have amounted to over £2.5 billion and assets under management for the same period have amounted to over £2.7 billion. I note that the invoices provided show that the applicant is based in Warwickshire, however, in the case study by OSM, I note that it states that the applicant has "eight offices across the UK", ² and this includes locations in Sheffield and Leeds.³ I also note that the evidence provided by the applicant shows that they have invested in companies which are also located across the UK including Yorkshire, Humber⁴ and Edinburgh,⁵ as well as partnering with Universities based in Strathclyde, York and Liverpool.⁶ Consequently, I consider that the above figures provided are only in relation to the UK and that use has been geographically widespread. I also note that the total spend of advertising between March 2016 and March 2021 is just over £1.2 million. I consider that the sums invested in advertising seem high. This is also supported by examples from the applicant's social media accounts and with use of the mark being published and advertised in

² Exhibit MP8

³ Exhibit MP8, article from bdaily.co.uk

⁴ Exhibit MP8, article from bdaily.co.uk

⁵ Exhibit MP1

⁶ Exhibit MP1

third party publications. As established above, I note that no market share figures have been provided, however, I consider that the sales figures provided seem notable for what is likely to be a significant market within the UK. My finding is, therefore, that the distinctiveness of the applicant's mark has been enhanced for its class 36 services to between a medium and high degree.

Likelihood of confusion

94. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. It is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

95. The following factors must be considered to determine if a likelihood of confusion can be established:

- I found the marks to be visually similar to at least a medium degree.
- I found that the marks cannot be compared aurally or conceptually.
- I have found the earlier mark to be inherently distinctive to no more than a medium degree.
- I have found that the distinctiveness of the earlier mark has been enhanced through use to between a medium to high degree.

- I have identified the average consumer as members of the general public or businesses who will select the services primarily by visual means, although I do not discount an aural component.
- I have concluded that between a medium to high degree of attention will be paid during the purchasing process for all of the services which are financial in nature.
- I have found the parties services to vary from being identical to similar to at least a medium degree.

96. Taking all of the factors into account, bearing in mind that the average consumer rarely has the chance to make direct comparisons between trade marks and, instead, must rely upon the imperfect picture of them retained in its mind, I find that there is direct confusion. This is particularly the case given the relatively high visual similarity (being more than a medium degree) between the marks and the predominantly visual purchasing process. Albeit the average consumer will pay between a medium and high degree of attention during the purchasing process of the services, particularly as they are financial in nature, given that the average consumer rarely has the opportunity to compare marks side-by-side and will instead encounter them in different settings at different times, to my mind, the closeness between the marks, and the nature of the services' purchase will lead the average to fall foul of the effects of imperfect recollection. In other words, consumers of the earlier mark will, upon seeing the later mark displayed on identical services, or services which are similar to at least a medium degree, will erroneously believe that the mark is that of the applicant (or vice versa). Therefore, taking all of the above into account, I consider there to be a likelihood of direct confusion.

CONCLUSION

97. The application for invalidation is successful and the Contested Mark is hereby declared invalid in respect of all services for which it is registered.

98. Under section 47(6) of the Act, the registration is deemed never to have been made.

COSTS

99. The applicant has been successful and is entitled to a contribution towards its costs based upon the scale set out in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of £1,400, calculated as follows:

Preparing the application for invalidity and considering the Counterstatement	£200
Preparing and filing evidence	£700
Filing written submissions	£300
Official fee	£200
Total	£1,400

100. I therefore order Deng Fei to pay Mercia Fund Management Limited the sum of £1,400. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 13th day of July 2022

L FAYTER

For the Registrar

ANNEX

Applicant's Mark

Class 35

Business services; business assistance services; business research services; business introduction services; business appraisals; balance sheet and liquidity assessment services; business assessment; business development; business organisation services; business planning; business administration; accountancy and tax services; public relation services; human resources; information, research, advice and consultancy relating to the aforesaid services.

Class 36

Financial services; funding services; financing services including in relation to mergers, acquisitions, restructuring and corporate finance services; venture capital financing; investment services; financial management services; fund management services; credit and risk assessment; financial purchase and repurchase contract services; arranging of credit and loans; structuring, negotiating and executing real estate sales and purchases for others; leasing of office space and commercial premises; information, research, advice and consultancy relating to the aforesaid services.