

O-496-18

TRADE MARKS ACT 1994

**TRADE MARK REGISTRATION NO. 3190170
IN THE NAME OF DOTC UNITED INC**

AND

**APPLICATION NO. 501734
BY BEIJING MOBIKE TECHNOLOGY CO., LTD
FOR A DECLARATION OF INVALIDITY**

Background and pleadings

1. DotC United Inc (“the registered proprietor”) is the registered proprietor of a UK registration (no. 3190170) for the mark shown below in respect of a range of goods and services in classes 9, 12, 35, 39 and 42:



2. It was applied for on 10 October 2016 and registered on 06 January 2017.

3. On 24 July 2017 Beijing Mobike Technology Co., Ltd (“the applicant”) applied to have this mark declared invalid. The application for invalidity, which is directed against the whole of the registration, is based upon Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), in relation to which the applicant relies upon a range of goods and services in classes 9, 12, 35, 37, 38, 39, 42 and 45 of the following EU trade mark registration:

EU015552094

mobike

Filing date: 17 June 2016

Registration date: 03 November 2016

4. The significance of the dates mentioned above is that (1) the applicant’s mark constitutes an earlier mark in accordance with section 6 of the Act, and (2) it is not subject to the proof of use conditions contained in section 47(2A-2F) of the Act, its registration procedure having been completed less than five years before the date on which the application for invalidation was made.

5. The applicant argues that the respective goods and services are identical or similar and that the marks are similar.

6. The registered proprietor filed a counterstatement denying the claims made.

7. Only the registered proprietor filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate. The applicant filed written submissions during the evidence rounds. Neither side filed written submissions in lieu of a hearing. The applicant is represented by N. J. Akers & Co; the registered proprietor is represented by Bristows LLP.

Evidence

8. This consists of a witness statement by Edward Chen. Mr Chen says that he is the main shareholder of O Bike Inc and that the registered proprietor is a shareholder in his company. Mr Chen says that O Bike is a “stationless” bicycle hiring system “with operations in several countries”; he explains that “the bikes have a built-in lock and GPS system and can be left anywhere at the end of the journey, rather than the customer having to source a docking station”.

9. At EC1 Mr Chen exhibits an undated print from what is said to be his company’s website, which he claims has been active in the UK since July 2017. The copy features a mark made up of the letter ‘O’ (with a dot in it) and ‘BIKE’ and a logo. Due to the poor quality of the reproduction I cannot see the logo.

10. Exhibit EC2 consists of copies of internal documents (part of which are produced in what, I assume, is Chinese but without translation) aimed at showing that the letter ‘O’ in ‘OBIKE’ stands for “open”, “outstanding”, “one” and “ownership” and that the graphic elements of the registered mark are supposed to represent a bike. This evidence also describes the individual component parts in which the logo can be deconstructed and their symbolism. In this connection, it is noted that the large undulating shape at the centre of the logo, which is described as the main design element, is said to be the “infinity symbol” which represents “three endless loops” associated with the concepts of “cyclists always riding bikes”, “endless cycling”,

“bicycles always available for use anytime” and “endlessly environmentally friendly”. This, it is said, can be deconstructed in the letter ‘o’ and ‘b’. Under the heading “Sence (sic) of value” the word ‘OBIKE’ is said to stand for Open, Be Yourself, Intelligent, Keen and Energetic.

11. Exhibit 3 consists of undated copies from the registered proprietor’s Facebook page and Twitter account, which, Mr Chen says, have over 500 and nearly 800 followers, respectively. The material is of such poor quality that is hardly legible. Mr Chen also refers to his bicycle rental scheme being available through an Android application.

Preliminary issue

12. In its submissions, the applicant argues that:

“As a procedural point, we note that the proprietor appears to have filed an incomplete TM8 as the purpose of the counterstatement, namely "to agree or disagree with any of the grounds set out by the other side in its statement" (Glossary) has not been completed at box 8. The document attached headed "Counterstatement" consists entirely of argument and submission, and would have been more appropriately filed within two months following the filing of the applicant's evidence/submission, in line with the published registry expectations on procedure.

In accordance with rule 41(6), failure to file a TM8 and counterstatement within the non-extendable period shall, unless the registrar directs otherwise, result in the registration being declared invalid in whole.

It is respectfully submitted that the submissions filed with the TM8 do not amount to a counterstatement as it is not possible to define which items in the statement of case are in dispute. In the event that the registry confirm that these submissions do form, an acceptable counterstatement, we wish it to be taken into account on costs that the applicant has been put to extra expense

in extrapolating from lengthy argument/submission which grounds are admitted, denied or put to proof.”

13. If the counterstatement was not clear the time for objecting would have been when it was served, not in final submissions. The counterstatement in any event clearly gives the registered proprietor’s position regarding, for example, the similarity between the marks and the goods and services. Accordingly, I dismiss the applicant’s objection on the point¹.

DECISION

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

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

15. Section 5(2)(b) is relevant in invalidation because of Section 47, the relevant part of which reads:

“47. – (1) [...]

(2) 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) [...]

¹ See also Tribunal Practice Notice (TPN) 3/2016, issued on 6 December 2016, setting out the Register’s practice on the filing of statements of case. The Register’s practice requiring how the relevant forms should be completed, e.g. with information provided in the relevant box, was introduced for reasons of procedural efficiency and does not create a cause of invalidity. Failure to comply with these requirements would usually lead to the Register returning the form for amendment.

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

16. 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 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;
- (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

17. In comparing the respective specifications, all the relevant factors 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:

“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”.

18. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

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

19. 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."

20. 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."

21. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

"In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase."

22. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court ("GC") stated that "complementary" means:

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

23. 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.”

24. 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.”

25. In *Gérard Meric v OHIM*, Case T-133/05, the GC confirmed that, even if goods/services are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

26. The respective goods and services are:

Registered proprietor's goods and services	Applicant's goods and services
<p>Class 9: Computer software applications; Computers; Coin-operated mechanisms; Radios for vehicles; Milage recorders for vehicles; Helmets (Protective -) for sports; Theft prevention installations, electric.</p> <p>Class 12: Bicycles; Frames for bicycles; Saddles for bicycles; Pumps for bicycle tyres; Bicycle tyres; Anti-theft alarms for vehicles; Rims for bicycle wheels.</p> <p>Class 35: Bill-posting; Marketing; Updating and maintenance of data in computer databases; Advertising; Publicity agency services; Publicity; Advertising agency services; Rental of advertising space</p> <p>Class 39: Vehicle breakdown towing services; Vehicle rental; Rental of motor cars; Parking of cars.</p> <p>Class 42: Computer software design; Computer system design; Installation of computer software; Consultancy in the design and development of computer hardware; Testing [inspection] of vehicles for roadworthiness; Industrial design; Duplication of computer programs.</p>	<p>Class 9: computer software applications, downloadable; electronic notice boards; cases for smartphones; Global Positioning System [GPS] apparatus; protection devices for personal use against accidents; protective helmets; headphones; navigational instruments; Spectacles [optics]; Eyeglasses; electric batteries for vehicles and accumulators.</p> <p>Class 12: bicycles; mobility scooters; electric vehicles; motorcycle frames; repair outfits for inner tubes; audible warning systems for bicycles; mopeds; tubeless tires for bicycles; brakes for vehicles; anti-theft alarms for vehicles.</p> <p>Class 35: Advertising and publicity; on-line advertising on a computer network; presentation of goods on communication media, for retail purposes; import-export agency services; provision of an on-line marketplace for buyers and sellers of goods and services; personnel recruitment; word processing; sponsorship search; business efficiency expert services; commercial administration of the licensing of the goods and services of others.</p> <p>Class 37: vehicle washing; vehicle</p>

maintenance; vehicle breakdown repair services; vehicle battery charging; retreading of tires; tire balancing; upholstery; varnishing; rustproofing; burglar alarm installation and repair.

Class 38: computer aided transmission of messages and images; communications by cellular phones; providing internet chatrooms; message sending; electronic bulletin board services [telecommunications services]; transmission of electronic mail; television broadcasting; providing user access to global computer networks; providing access to databases; telecommunications routing and junction services.

Class 39: car parking; parking place rental; vehicle rental; transport; vehicle breakdown towing services; parking place rental; taxi transport; passenger transport; portage; transport brokerage.

Class 42: technical research; consultancy in the field of energy-saving; monitoring of computer systems by remote access; computer system analysis; maintenance of computer software; software as a service (SaaS); computer system design; data conversion of computer programs and

	<p>data (not physical conversion); vehicle roadworthiness testing; styling (industrial design).</p> <p>Class 45: on-line social networking services; dating services; licensing of intellectual property; licensing of computer software (legal services); monitoring of burglar and security alarms; security consultancy; house sitting; opening of security locks; night guard services; guard services.</p>
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27. It is obvious from the parties' submissions that the applicant is a competitor of the registered proprietor in the market of bicycle rental services accessible through a mobile application. However, the matter is to be approached on a notional basis², not on the basis of the services currently offered under the parties' marks.

Class 9

28. *Computer software applications* is contained in both specifications. These goods are identical. The contested *helmets (Protective -) for sports* is encompassed by the broader term *protective helmets* covered by the earlier mark; on the principle outlined in *Merix*, these goods must be regarded as identical. The contested *theft prevention installations, electric* in class 9 are related to earlier *monitoring of burglar and security alarms* services in 45; this is because, even though their nature is different, it is likely that companies manufacturing *theft prevention installations*, which include *burglar and security alarms*, provide monitoring services related to security alarms. The goods and services under comparison share their distribution channels and are complementary to each other. Thus, they are deemed to be similar to a low degree. The contested *computers* and the earlier *computer software applications* are typically used in combination; though the nature of the competing goods is different, they would be targeting the same public and could be offered by

² *Roger Maier v ASOS* [2015] EWCA Civ 220 at paragraphs 78 and 84

the same companies through the same distribution channels; the goods are similar to a high degree.

29. In relation to the contested *coin-operated mechanisms*, the applicant submits that the goods are related to vehicle rental and are similar to its *vehicle rental* services in class 39. Though vehicle rental may be coin operated, this does not make the respective goods and services similar from a trade mark perspective. In the context envisaged by the applicant, coin-operated mechanisms are used to facilitate a rental service offered to the public and are not offered as separate goods. The users, uses, methods of use are different, the goods and services are not in competition and there is no complementarity in play. These goods are not similar to any of the goods or services covered by the earlier mark.

30. In relation to the contested *radios for vehicles*, the applicant submits that they are similar to, inter alia, the earlier *Global Positioning System [GPS] apparatus*. To the extent that *Global Positioning System [GPS] apparatus* includes navigation apparatus for vehicles, I accept that the trade channels might coincide. However, the users, uses, nature, purpose, method of use are different, and there is no competition or complementarity. If there is any similarity it must be to a low degree. Similar considerations apply in relation to *milage recorders for vehicles*. Alternatively, these goods are similar to a low degree to the earlier *electric vehicles* (in class 12), as they are vehicle parts.

Class 12

31. The identical terms *bicycles* and *anti-theft alarms for vehicles* are contained in both specifications. The contested *frames for bicycles; saddles for bicycles; pumps for bicycle tyres; bicycle tyres; rims for bicycle wheels* are spare or replacement parts for the earlier *bicycles* and are complementary to *bicycles* in the *Boston Scientific* sense. Though the nature, purpose and method of use of the respective goods differ and they cannot be said to be in competition with one another, the channels of trade may converge since bicycle parts and accessories are often sold in the same retail establishments as bicycles, whether online or traditional bricks and mortar. I find that these goods are similar to a low to medium degree.

Class 35

32. The identical terms *advertising* and *publicity* are contained in both specifications. The contested *bill-posting; marketing; publicity agency services; advertising agency services; rental of advertising space* all fall within the earlier term *advertising and publicity* and are identical on the *Meric* principle. In relation to the contested *updating and maintenance of data in computer databases*, I find that there is a degree of complementarity and a medium degree of similarity with the earlier *word processing* in class 35 (which cover the production, storage, and manipulation of texts on a computer) since the performance of word processing services is essential for the subsequent input of texts into a database (which would include *updating and maintenance of data in computer databases*); further the contested *updating and maintenance of data in computer databases* may be offered as support services with regards to the applicant's *word processing*.

Class 39

33. The identical terms *vehicle rental* and *vehicle breakdown towing services* are contained in both specifications. The contested *parking of cars* is identical to the earlier *car parking*. The contested *rental of motor cars* is encompassed by the earlier term *vehicle rental*; on the principle outlined in *Meric*, these services must be regarded as identical.

Class 42

34. The identical terms *computer system design* are contained in both specifications. The contested *testing [inspection] of vehicles for roadworthiness* is identical to the earlier term *vehicle roadworthiness testing*. The contested *industrial design* encompasses the earlier *styling (industrial design)*. The contested *computer software design* is encompassed by the earlier *computer system design*. On the principle outlined in *Meric*, these services must be regarded as identical. The contested *duplication of computer programs* must be similar to the earlier *data conversion of computer programs and data (not physical conversion)* in class 42 since they all relate to computers and programming. Since *computer system design* includes design of computer hardware, the contested *consultancy in the design and development of computer hardware* must be complementary and similar to a medium degree to the earlier *computer system design*. Finally, the contested *installation of*

computer software is complementary and similar to a medium degree to the earlier *maintenance of computer software*.

The average consumer and the nature of the purchasing act

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

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

36. The average consumer is likely to be a member of the general public looking to purchase the goods in classes 9 and 12; these include computer goods as well as bicycles and parts and accessories for bicycles and vehicles. The amount of care taken will vary in relation to the sum of money being spent, however, I consider that slightly more than a normal degree of attention will be deployed, as such goods are not selected frequently and will be important to consider factors such as compatibility with existing set-up, fitness for purpose (safety), size, etc.

37. The identical or similar services in classes 35 and 42 are marketing services and technical services related to computer design, the average consumer of which is likely to be a business; the services also include testing of vehicles for roadworthiness, the average consumer of which is likely to be an individual (legally able to drive). Given the potential importance as well as the not insignificant sums

that are likely to be in play, I would expect a higher than normal degree of attention (but not the highest level) to be paid when selecting these services.

38. In relation to the services at issue in class 39, the average consumer is the general public. Purchasing a vehicle breakdown towing service or the rental of a motor car is a considered process because it is relatively expensive, and one to which a higher than normal degree of attention (but not the highest level) will be paid. Purchasing the rental of a vehicle includes rental of a bicycle which are clearly the services of main interest of the parties. In this connection, the applicant states:

“The end users, the general public, are likely to have a low degree of attention, as the bicycles hired are typically hired for short duration journeys for low value tariffs, which the applicant refers to as solving the "last mile" problem.”

39. Even if the rental of a bicycle is less expensive (and less considered) than the rental of a car, it will still involve an average degree of attention because the consumer is likely to consider factors such as, for example, the accessibility of the service, the existence of cycling paths as well as the locations where the bicycle can be picked up and returned. Finally, the degree of care and attention in purchasing a car park service is no more than average.

40. In relation to all of the above goods and services, they will often be selected visually after perusal of brochures or via Internet searching etc. although, in some cases, the service provider may be chosen from signs on the street, i.e. bicycle shop, car park services. Although I do not discount aural considerations, the purchase is likely to be more visual than aural.



Comparison of marks

41. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions

created by them, 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.”

42. 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 them. The marks to be compared are:

Contested mark	Earlier mark
	

43. The earlier mark consists of the word ‘mobike’ written in title case in a slightly stylised font. The registered proprietor avers that the earlier mark could be read in two ways, either as ‘mobike’ or as ‘mooike’. I disagree. The mark can readily be read as ‘mobike’. Furthermore, the goods and services in relation to which the earlier mark is registered are not such that the mark would be presented on the goods themselves in very small print, e.g. watches; thus, it cannot be reasonably argued that the average consumer might read the third letter (which is a ‘b’) as an ‘o’. In terms of overall impression, the average consumer is likely to treat the word ‘mobike’

as an invented word. Although the stylisation makes a visual impression, it is not striking and, as the applicant rightly points out, the dominant and distinctive component of the earlier mark is the word 'mobike'.

44. The registered proprietor's mark consists of the word 'OBIKE' written in capital letters in a slightly stylised typeface with a device above it. The device is made up of a number of elements: there is an undulating line which creates two large open circular rings. The part of the line placed between the two rings forms two oblique strokes which create two angles, one pointing upwards and one pointing downwards; above this graphic element there is a small bar placed horizontally, on the left-hand side; on the right-hand side, there is another bar, placed diagonally, with a wave or ripple decoration.

45. As to the way in which the verbal element of the registered proprietor's mark would be perceived, the registered proprietor filed evidence showing the symbolic significance of the mark. However, this was limited to internal documents and there is no evidence that the average consumer in the UK has been educated to perceive the mark (or certain elements of the mark) in the way suggested by Mr Chen. Thus, I find that since the words for which the letter 'O' is supposed to stand, namely "open", "outstanding", "one" and "ownership", are not included in the mark, the intended meaning is not clear and the letter 'O' has no independent distinctive role and no meaning in the context of 'OBIKE'. In terms of overall impression, I have no doubt (and from their written arguments, the parties are in agreement that) the public will perceive the device as a stylised bicycle, that perception being assisted by the word 'OBIKE'; whilst 'OBIKE' is an invented word, the average consumer is likely to recognise within it the known word 'BIKE', given the presence in the mark of a bicycle device. In relation to the registered proprietor's evidence that the undulating shape at the centre of the logo could be deconstructed in the letter 'o' and 'b', in my view, any verbal element of the logo is "lost" in the complex stylisation of the logo³.

46. I note that the applicant submits that the dominant and distinctive element of the registered proprietor's mark is the word 'OBIKE', though it does not give any

³ See BL-O-468/17

explanation as to why. The registered proprietor, for its part, claims that the 'BIKE' element of the mark should be disregarded for the purpose of assessing the similarity between the marks given the existence on the UK Register of numerous other marks incorporating the suffix 'BIKE'.

47. State of the register evidence is hardly relevant when it comes to assessing the distinctive character of a mark⁴. In any event, the word in the mark is 'OBIKE' and that is how it will be seen by the average consumer. Even if the consumer will readily see the word 'BIKE' in 'OBIKE', the letter 'O' and the word 'BIKE' are not separated by a space and combine to create the word 'OBIKE'. Consequently, I find that the distinctiveness of the contested mark is based on the combination of elements, with both the invented word 'OBIKE' and the device making a roughly equal contribution to the overall impression. I say roughly equal because it may be the case that 'OBIKE' plays a slightly stronger role, but it is a close thing.

Visual similarity

48. Visual similarity between the marks rests in the letters 'obike/OBIKE'. However, in the earlier mark they are part of the longer word 'mobike'. The beginning of the words are different, being an 'm' and a 'O'. Finally, the device in the registered mark creates an obvious and significant difference. In my view the marks are similar to a low degree.

Aural similarity

49. As the device element of the registered proprietor's mark will not be articulated, the comparison is between "MO-BIKE' and 'O-BIKE". Although the 'obike/OBIKE' elements of the marks are identical, the beginnings of the marks are different: the earlier mark begins with a 'm', whereas the first letter of the registered proprietor's mark is a 'O'. Considering the difference between the consonant sound of the 'm' and the vowel sound of the 'O', and bearing in mind that consumers normally attach

⁴ *Henkel KGaA v Deutsches Patent- und Markenamt*, Case C-218/01 and *Zero Industry Srl v OHIM*, Case T-400/06

more importance to the beginnings of words⁵, the marks are aurally similar to a medium degree.

Conceptual similarity

50. The applicant claims that “taken overall, neither mark has a conceptual meaning in respect of the goods of interest, so cannot be distinguished by way of an obvious meaning”.

51. The registered proprietor claims that the marks are conceptually different because its mark has no conceptual meaning, whereas the earlier mark could be understood as a clever word play on the term ‘MOBILE’ and/or alternatively as a reference to ‘MOTOR’.

52. The element ‘bike/BIKE’ is not a standalone element in the marks but is part of the words ‘mobike’ and ‘OBIKE’ respectively, which will be perceived as invented words, with no clear and immediate meaning.

53. However, I also bear in mind that:

- the word ‘bike/BIKE’ meaning a type of vehicle, i.e. a bicycle or a motorcycle⁶, bears a direct relation with, in particular, the parties’ specifications in classes 12 and 39⁷ (which include goods and services relating to bicycles and/or motorcycles). Though this will assist the consumer’s recognition of the word ‘bike/BIKE’ from the verbal elements of the marks, i.e. ‘mobike’/‘OBIKE’, it also means that the concept evoked by that element is non-distinctive in that context and does not create a distinctive conceptual similarity;
- whilst the concept of a bike is more distinctive in the context of the remaining goods and services, when faced with the ‘mobike’ mark in the context of goods and services which have nothing to do with bikes, the average consumer is likely to be slow to separate the word ‘bike’ from ‘mobike’

⁵ *El Corte Inglés v OHIM — González Cabello (MUNDICOR)*, T- 183/02 and T- 184/02, paragraph 81.

⁶ Collins Online English Dictionary

⁷ Further, helmets/mileage recorders in class 9 includes goods for bicycles and motorcycles

because i) there is nothing in the mark that reinforces that concept and ii) the 'bike' element do not stand out. Conversely, in the registered proprietor's mark the concept of a bike is still likely to strike the average consumer in the context of goods and services which have no connection with bikes, because the device reinforces that concept and there is only one letter before the element 'BIKE'.

54. If any conceptual similarity is created by the 'bike/BIKE' element of the marks, it will be in the context of goods and services which have some association with bikes; however, this cannot give rise to a distinctive conceptual similarity. In other words, in relation to this part of the specifications, if there is conceptual similarity is to the limited extent that both marks are perceived as referring to bikes (so it is non-distinctive). In relation to goods and services which have no connection with bikes, given what I have said above, the marks are conceptually different.

Distinctive character of earlier mark

55. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁶, 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 Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested

by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

56. From an inherent perspective, I consider that the earlier mark possesses no more than an average degree of inherent distinctive character in relation to the part of the specification which bears a direct relation with bikes, given what I have said earlier about the conceptual message that it is likely to evoke.

57. In relation to the remaining goods and services, the word ‘mobike’ is clearly more distinctive; I consider that, in that context, the mark has a high degree of inherent distinctiveness.

58. In terms of whether the distinctiveness has been enhanced, there is no evidence of use so there is no enhanced distinctiveness.

Likelihood of confusion

59. In determining whether there is a likelihood of confusion, 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 marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

60. There are two types of relevant confusion to consider: direct confusion (where one mark is mistaken for the other) and indirect confusion (where the respective similarities lead the consumer to believe that the respective goods and services come from the same or a related trade source). This distinction was summed up by

Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

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

61. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

62. Earlier in my decision, I found that the parties’ goods and services are similar to various degree⁸ and will be selected with, at least, an average degree of attention. I shall consider identical goods and services first, as they represent the best prospect of success for the opponent. The visual similarity between the marks is low and the aural similarity is medium. Although the aural similarity is more pronounced, I have concluded that given the nature of the goods and services at issue and the traits of the relevant consumer when purchasing such goods and services, the visual aspects of the comparison are likely to be the most important, whilst recognising that aural similarity may also be a factor in the purchasing process. Conceptually, any similarity created by the shared element ‘bike/BIKE’ is non-distinctive in the context of goods

⁸ With the exception of *coin-operated mechanisms* in relation to which, as there is no similarity of goods and services, there cannot be likelihood of confusion.

and services that bear a direct relation with bikes (and for which the earlier mark is distinctive to no more than an average degree); in relation to the remaining goods and services, the conceptual position is different (which counterbalances the fact that the earlier mark is distinctive to a high degree).

63. Applying the global approach advocated to these findings, the likelihood of direct confusion, i.e. that the registered proprietor's mark will be mistaken for that of the applicant, is not a real one, even considering imperfect recollection. The presence of the device in the contested mark and the differences in the verbal elements of the marks, i.e. 'mobike' *versus* 'OBIKE' (which are at the beginning of the marks and have more impact), means that there is no likelihood of direct confusion, even when identical goods are involved. This is all the more so, when factoring in that where the marks are applied to goods and services that bear a direct relation with bikes, any conceptual similarity created by the shared element 'bike/BIKE' is non-distinctive, whilst where the marks are applied to other goods and services, there is a clear conceptual distance between the marks. Finally, even taking into account the aural aspect of the comparison, the first letter of the marks is different and the marks are not so close that the average consumer is likely to mishear and/or misspeak one mark for the other. **There is no likelihood of direct confusion.**

64. In term of indirect confusion, the applicant has not argued the case on that footing and I cannot see how indirect confusion would arise. As I have stated above, the competing marks do not share a common dominant element, the earlier mark being dominated by the word 'mobike', the contested mark being dominated by the word 'OBIKE' and the device of a bicycle. **There is no likelihood of indirect confusion.**

65. The application for invalidation therefore fails.

COSTS

66. The registered proprietor has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Tribunal Practice Notice (TPN) 2/2016. Using that TPN as a guide but bearing in mind that the registered proprietor's evidence was very light, I award costs to the registered proprietor on the following basis:

Preparing a statement and considering the other side's statement:	£200
Filing evidence:	£400
Considering written submissions:	£200
Total:	£800

67. I order Beijing Mobike Technology Co., Ltd to pay DotC United Inc the sum of £800 as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this day 10th of August 2018

Teresa Perks
For the Registrar
The Comptroller – General