How do you distinguish and differentiate in 'indirect confusion' cases, and what evidence will get you over the line?

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What is indirect confusion?

1. Indirect confusion is where consumers do not mistake the sign for the trade mark but believe that the goods or services denoted by the sign come from the same undertaking as goods or services denoted by the trade mark or from an undertaking which is economically linked to the undertaking responsible for the goods and services denoted by the trade mark.

L.A. Sugar Limited v Back Beat Inc, Case BL O/375/10

2. Mr. Iain Purvis KC sitting as the Appointed Person said the following in relation to indirect confusion:

"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 recognised that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17 Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

Where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else, but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).

Where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc).

Where the earlier mark comprises a number of elements and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

Liverpool Gin Distillery Limited v Sazerac Brands LLC [2021] EWCA Civ 1207 ('Eagle Rare')

3. The Court of Appeal upheld the lower court's finding that the Claimant's mark EAGLE RARE had been infringed by the Defendant's use of the sign AMERICAN EAGLE in relation to bourbon whiskey. In relation to the law applicable to indirect confusion, Arnold LJ held as follows:

"12. This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition. For example, one category of indirect confusion which is not mentioned is where the sign complained of incorporates the trade mark (or a similar sign) in such a way as to lead consumers to believe that the goods or services have been co-branded and thus that there is an economic link between the proprietor of the sign and the proprietor of the trade mark (such as through merger, acquisition or licensing).

13. As James Mellor QC sitting as the Appointed Person pointed out in Cheeky Italian Ltd v Sutaria (O/219/16) at [16] "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Mr Mellor went on to say that, if there is no likelihood of direct confusion, "one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion". I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion.

14. "Likelihood of confusion" usually refers to the situations described in paragraph 10 above. As this Court held in Comic Enterprises, however, it also embraces situations where consumers believe that goods or services denoted by the trade mark come from the same undertaking as goods or services denoted by the sign or an economically linked undertaking (sometimes referred to as "wrong way round confusion")."

Lionsgate Entertainment Inc v Telegraph Media Group BL O/385/18 [2019] FSR 16

4. The Appointed Person upheld a decision dismissing an opposition to applications to register marks comprising or including the term BE:FIT IN CLASSES 9, 16, 26, 35, 36, 41, 43 and 44, the opposition having been based on an earlier mark for LIONSGATE BEFIT registered for goods and services in Classes 5, 9, 25, 28, 38, 41 and 42.

5. In reaching his decision the Appointed Person held (at [13]) *"Essentially Medion [2006] ETMR 13 is a very structured way of addressing whether the use of the composite mark would cause 'indirect confusion' in the mind of the average consumer…"*. He confirmed that even after a finding that the earlier mark is a common element in a composite mark, and that it has independent distinctive character, it is still necessary to consider whether consumers would think that there was a common origin leading to a likelihood of confusion. If the common element is not very distinctive then it will not play an independent distinctive role in the composite mark and so the average consumer will give it less attention meaning that the other elements of the composite mark will make it unlikely that there would be any likelihood of confusion.

6. In this case, the Appointed Person found that the Hearing Officer's assessment that BEFIT has a very low level of distinctiveness and was barely registrable could properly be based on his own value judgment alone and accordingly, there was no indirect confusion arising between the 2 marks in issue which shared this element.

Distinctiveness of the 'Common Element'

7. The distinctiveness of the 'common element' is a crucial factor in cases of indirect confusion. In *Whyte and Mackay v Origin* [2015] EWHC 1271 (Ch), Arnold J (as he then was) held (at [44]) that if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion.

8. The following are relevant factors when assessing the distinctiveness of the common element within the mark relied upon:

   a. Word class: e.g. noun, adjective, adverb etc.

   b. Word position: beginning/middle/end of the mark.

   c. Word meaning

   d. Inherent distinctiveness: descriptive, allusive, ordinary terminology, invented.

9. There are also external factors which can be relevant when assessing distinctiveness of the common element. Each case will turn on its own facts and what evidence is needed must be assessed accordingly. The following are examples of the types of areas in relation to which evidence can be helpful/unhelpful:

   a. **The relevant market including evidence relating to the use/perception of the common element (whether by the claimant or others) in the relevant market**:

      i. In Eagle Rare the parties each relied on expert evidence in relation to the bourbon market in the UK. On the basis of that evidence, the Judge (at first instance) found that, given the inherently distinctive character of the trade mark EAGLE RARE, in that no other bourbon whiskey in the UK had a name that included the word "EAGLE", the average consumer who saw or heard the Defendant's sign, AMERICAN EAGLE would be likely to call the Trade Marks to mind.

      ii. In Match Group, LLC v Muzmatch Limited [2022] EWHC 941 (IPEC) & [2023] EWCA Civ 454, as a result of the evidence filed by the Claimant the Judge found that the branding of Match's services had involved some level of emphasis on the 'Match' element of the Match marks. This included evidence in relation to the trade marks relied upon, but also other marks owned/used by the Claimant which comprised or included the word 'Match'. Further, the evidence also showed that many people referred to the Claimant's business simply as 'Match'. As a result, the common element 'Match' was found to be distinctive of the Claimant despite its descriptive nature in relation to the relevant services.

iii. Monster Energy Company v Red Bull GmbH O/636/21 (also see [2022] 2155 (Ch) for Monster Energy's appeal in relation to section 5(3)) is an example of a party failing to establish sufficient distinctiveness purely in the common element as opposed to the mark as whole. In that case Red Bull succeeded in is opposition in relation to mark RED DAWG under section 5(3) but failed under section 5(2)(b). In relation to the RED BULL mark the Hearing Officer found that the distinctive character lay in the combination of words i.e. the mark as a whole, with the words forming a unit and together dominating the overall impression of the mark. This was despite Red Bull's evidence of it having used 'Red' as part of the name for another of its drinks, namely 'RED Edition'.

iv. As a general rule, evidence of other registered marks comprising or including the common element will not be of any use unless there is also evidence of the use of such marks on the relevant market (Zero Industry Srl v OHIM Case T-400/06).

v. If the proceedings are Opposition proceedings, the Applicant cannot rely on how it intends to use the mark to avoid a finding of confusion as the tribunal will be restricted to assessing a likelihood of confusion based on the applied for mark and its specification and any differences in trading styles between the parties are not relevant unless they are apparent from the applied for and registered marks (Devinlec Développement Innovation Leclerc SA v OHIM C-171/06P)

b. **Evidence relating to the use/perception of other elements of the trade mark(s) or sign(s) in the relevant market/field:**

i. In Eagle Rare the Judge found that use of 'rare' in the way in which it was used in the mark is common in the aged spirits market and would be recognised as such by the average consumer of bourbon.

ii. In Sky v Genting Skyworlds O/223/22 (upheld on appeal to the AP: O/629/22), based on evidence filed by the Opponent, the HO found that

'WORLDS' was descriptive when used in relation to 'theme park and amusement parks'.

iii. In Red Bull the Applicant adduced evidence to show that DAWG (being an element of the opposed sign RED DAWG) is an informal word used to refer to a friend or acquaintance (although the Hearing Officer accepted that a significant proportion of average consumers would nevertheless understand it to be a misspelling of the word 'dog').

The nature of the indirect confusion

10. As set out in LA Sugar and Eagle Rare there are various ways in which indirect confusion can arise. For example:

    a. Sub-branding
    b. Brand extensions
    c. Co-branding (merger, acquisition or licensing)
    d. Updated versions/Variations/Re-brands

11. As the Appointed Person pointed out in Cheeky Italian Ltd v Sutaria (O/219/16), when making a finding of indirect confusion, it is necessary to be specific as to the mental process involved on the part of the average consumer and that each of the categories of indirect confusion identified in LA Sugar are distinct and represent a different thought process on the part of the average consumer. This means that not only does the category/type of indirect confusion need to be identified, where possible, a claimant needs to adduce evidence to support its argument that the average consumer will in fact go through the mental process alleged.

12. The following are examples of evidence which has/has not been adduced in relation to the category of indirect confusion:

    a. In Eagle Rare, the evidence showed that it was a common pattern in the whisky and bourbon market to have many different expressions under the same branding, including plays on the brand name. This assisted in proving that AMERICAN EAGLE would be perceived as a connected brand.

b. In Eagle Rare, the Claimant's expert witness when being cross-examined, expressed his opinion that consumers would assume a connection between certain example brands he was presented with. The Court of Appeal confirmed that such opinion evidence was inadmissible but also highlighted that the Judge below had not directly relied on such evidence but had simply used it as an illustration of how the average consumer might react.

c. In Sky v Genting Skyworlds, Sky adduced evidence showing that it uses its mark across a wide range of goods and services and also that it engaged in co-branding activities including with Netflix and WWF. This assisted in proving that there was a likelihood of indirect confusion on the basis that average consumer would perceive the sign as a co-branding initiative between GENTING and SKY.

d. In The Guide Association v Genius Brands International, Inc BL O/251/22, the Appointed Person overturned a finding of a likelihood of indirect confusion between the Opponent's individual 'RAINBOW' and 'RANGERS' series marks and the Applicant's 'RAINBOW RANGERS' mark on the basis that the distinctive character of the latter mark was in the combination of the words RAINBOW RANGERS with no word dominating and there was nothing before the tribunal which showed that either word was (i) so strikingly distinctive (inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using them or (ii) a kind that the average consumer would expect to find as a sub-brand or brand extension. Nor was there any evidence pointing to any other category of indirect confusion such as co-branding/variant etc.

Indirect confusion – stylised marks

13. Where the marks in question constitute stylised marks, there is a tendency to find the later marks sharing the same common element but with different stylisation will be perceived as variant's or updated versions of the original marks. This is even where the common element is of low distinctiveness.

14. In Nicoventures Holdings Ltd v The London Vape Company Ltd [2017] EWHC 3393 (Ch) Birss J (as he then was) overturned a finding of a likelihood of indirect confusion between the following signs:





Despite the common element having low distinctiveness the Hearing Officer had found a likelihood of indirect confusion on the basis that the applicant's mark would be perceived as a variant form or updated version of the opponent's mark. Birss J overturned this finding on the basis that:

(1) The only similarity between the marks was a common element with low distinctiveness which pointed against a likelihood of confusion; and

(2) Although the stylised aspects of each mark was not very remarkable, the fact remained that these aspects were entirely different and from the point of visual similarity, the likelihood of confusion was low.

15. In Revive A Phone Limited v WeFix [2022] EWHC 2195 (Ch) Ian Karet sitting as a Deputy High Court Judge upheld the Hearing Officer's finding of a likelihood of indirect confusion between the following marks:





The Hearing Officer's finding was based on the fact that despite the low distinctiveness of the common element there would be indirect confusion because consumers would think the contested mark represented an updated version or variant of the earlier logo or vice versa.

16. In this type of case evidence of the claimant's previous branding activities may be of use. Such evidence could assist the claimant if it showed marked changes in how its brand has been marketed. On the other hand, if it showed little variation in branding such evidence could assist the defendant. If there had been no re-branding by the claimant, detailed evidence about the claimant's business, the relevant market and the likelihood of it re-branding and the new styles which it may/may not adopt may be useful.

Evidence of actual confusion

17. In Match, Arnold LJ reiterated that evidence of indirect confusion is inherently less likely to come to light than direct confusion. Can a claimant therefore simply rely on this and avoid the need to (i) adduce evidence of actual confusion or (ii) give cogent reasons as to why such evidence is unlikely to come to light? There is no point in requiring a claimant to carry out extensive searches if the reality is that any confusion is never likely to be detected. The approach taken therefore needs to be tailored according to the specific case. By way of example only, it has been held that the use of social media makes it easier than it used to be for instances of confusion to be publicised (Glaxo Wellcome UK Ltd v Sandoz Ltd [2019] EWHC 2545 (Ch)). Accordingly, in such cases a defendant may want to carry out searches on its own social media and ensure that a claimant is required to do the same with a view to showing that no instances of actual confusion have been detected.

Take away points!

18. The following is a summary of points to consider when preparing a case on indirect confusion:

Claimant/Opponent:

- Distinctiveness of the common element
- The relevant market: market share/brands/habits/trends

- Branding activities & nature of indirect confusion

Defendant/Applicant:

- Composite whole/unit/combinations
- Additional elements/stylisation;
- Why would confusion come to light in this case?

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