

O/0412/25

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF

REQUESTS FOR PROTECTION IN THE UK
OF INTERNATIONAL TRADE MARKS NOS. 1721833 AND 1722076
IN THE NAME OF LLAPINGACHO LLC
AND
OPPOSITIONS THERETO UNDER NOS. 441116 AND 442167
BY KUESKI, S.A.P.I. DE C.V. SOFOM, E.N.R.

AND

INTERNATIONAL REGISTRATION NO. 1630140
DESIGNATING THE UK
IN THE NAME OF LLAPINGACHO LLC
AND
AN APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF
UNDER NO. 506169
BY KUESKI, S.A.P.I. DE C.V. SOFOM, E.N.R.

Background and pleadings

1. This decision concerns three consolidated proceedings: two oppositions against the requests for protection in the UK of two international trade marks, and an application for a declaration of invalidity of an international trade mark registration designating the UK. The three actions are directed against the following applications and registration owned by Llapingacho LLC ("Llapingacho") and are brought by KUESKI, S.A.P.I. DE C.V. SOFOM, E.N.R. ("Kueski").

2. The first opposition (no. 441116) is directed against international registration no. 1721833, which is as follows:



Mark Description: The mark consists of a green circle with a white underlined check mark inside, followed by the word "KUSHKI." The stem of the K is navy blue. The arm of the K is green. The leg of the K is green and extends longer than the stem. The U S H K and I are navy blue. Below "KUSHKI" is the word "MUNDIAL" in green.

Colours claimed: The colours light green and navy blue are claimed as a feature of the mark.

International registration date: 30 November 2022

Designation date: 30 November 2022

Priority date: 08 November 2022

Class 36: *Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services; providing payment processing services featuring financial transaction services via an internet web site portal.*

Class 42: *Application service provider (ASP) featuring e-commerce software for use as a payment gateway that authorizes processing of credit cards or direct payments for merchants; application service provider featuring application programming interface (API) software for accepting and sending payments via credit cards, debit cards, wire transfer and cash.*

3. The second opposition (no. 442167) is directed against international registration no. 1722076 which is as follows:



The Mark Description, Colours claimed and Colour indication set out in the register for this mark are the same as for IR 1721833, omitting the reference to “Mundial”.

International registration date: 10 November 2022

Designation date: 10 November 2022

Priority date: 21 October 2022

Class 36: *Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services; clearing and reconciling financial transactions via a global computer network; providing a wide variety of payment services and providing financial services, namely credit and debit card processing and transmission of bills and payments thereof, conducted via a global computer network.*

Class 42: *Application service provider (ASP) featuring e-commerce software for use as a payment gateway that authorizes processing of credit cards or direct payments for merchants; application service provider featuring application programming*

interface (API) software for accepting and sending payments via credit cards, debit cards, wire transfer and cash.

4. The application for a declaration of invalidity (no. 506169) is directed against international registration no. 1630140 which is as follows:

KUSHKI

International registration date: 18 June 2021

Designation date: 19 October 2022

Date of protection of the international registration in UK: 03 February 2023

Class 36: *Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services; providing financial transaction and payment processing services via a website portal.*

Class 42: *Application service provider (ASP) featuring e-commerce software for use as a payment gateway that authorizes processing of credit cards or direct payments for merchants; application service provider featuring application programming interface (API) software for accepting and sending payments via credit cards, debit cards, wire transfer and cash.*

5. The first opposition and the application for invalidity were both filed on 2 June 2023 and the second opposition was filed on 27 July 2023. In all three actions, the pleaded grounds are Section 5(2)(b) and 5(3) of the Trade Marks Act ("the Act") with Kueski relying on one single earlier mark, namely UK trade mark registration no. 3837346 for the mark shown below:



Filing date: 10 October 2022

Registration date: 30 December 2022

Class 36: *Online financial transaction services, electronic money transfer, financial loans, installment loans, personal loan financing, business loan services, home collection of financial payments, financial consulting and analysis, payment processing and electronic processing of payments through a global computer network, financing of sales through credits, facilitation and financing of credits.*

6. Under Section 5(2)(b), Kueski claims that the marks are highly similar and that the services are identical or similar resulting in a likelihood of confusion.

7. Under Section 5(3), Kueski claims that its earlier mark is well-known in Mexico and that given the similarity between the marks and the fact that they would be used in the same financial services industry, the relevant public would consider the marks to be in some way connected and the contested marks would take unfair advantage of the reputation of the earlier mark.

8. By virtue of its earlier filing date, which is earlier than the designation dates of Llapingacho's IRs, the trade mark relied upon by Kueski is considered to be an earlier mark in accordance with Section 6 of the Act.¹ As it has not been registered for five years or more at the filing date of the contested IRs, it is not subject to the use conditions under Section 6A of the Act. Consequently, Kueski may rely on all of the services it has identified without demonstrating that it has used the mark.

¹ See paragraph 2 of Schedule 2 of the Trade Marks (International Registration) Order 2008 which gives the filing date for 3ter(2) designations as the date the request for extension was recorded in the International Register.

9. Llapingacho filed a defence and counterstatement in each proceeding denying the claims made.

10. All three sets of proceedings were consolidated under the lead case, opposition no. 441116, on 25 November 2023.

11. Both sides filed evidence during these proceedings. In addition, Llapingacho filed written submissions dated 7 May 2024. No hearing was requested and both sides filed written submissions in lieu.

12. Kueski is represented by Withers & Rogers LLP. Llapingacho is represented by Tomkins & Co. I make this decision having taken full account of all the papers, referring to them as necessary.

13. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

EVIDENCE

14. Kueski's evidence came in the form of the witness statement of Carlos Antonio Sanchez Almada, dated 23 January 2024. Mr Almada is employed by Kueski as its legal representative. His evidence is accompanied by 12 exhibits, being those labelled CASA1 – CASA12, and talks about the use of the earlier mark in Mexico, as well as the origin of the word "Kueski".

15. Llapingacho's evidence came in the form of the witness statement of Sebastian Castro, dated 6 May 2024. Mr Castro is one of the Managing Members and Co-Founders of Llapingacho, including all of its subsidiaries and affiliate companies. His evidence is accompanied by five exhibits, being those labelled SC1 – SC16, and talks about a number of matters, including Llapingacho's business, the services it provides

to its customers, the origin of the contested IRs and their use in the UK, Llapingacho's plans to expand its trade in the UK, the absence of Kueski's use of the earlier mark within the UK, and the absence of any confusion among UK consumers.

Section 5(2)(b)

16. Section 5(2)(b) of the Act 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.”

17. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

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

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public 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

19. 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 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.”

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

(a) The respective 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.

21. In *Gérard Meric v OHIM* 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.”

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 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. The purpose of examining whether there is a complementary relationship between goods and services is to assess whether the relevant public are liable to believe that responsibility for the goods and services lies with the same

undertaking or with economically connected undertakings. As Mr Daniel Alexander QC noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL O/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. Before I proceed any further, I should explain two matters, namely Llapingacho’s unclear concession that some of the services involved are similar, and the relevance of the evidence about the services offered by the parties.

26. As regard the concession, in its submissions in lieu, Llapingacho states that for the purpose of the present proceedings, it accepts that a number of the services of the parties are broad and include a number of the services of the other party, and that some of these services would be considered identical and/or similar and/or complementary, albeit to varying degrees. Whilst this broadbrush concession overcomes the total denial about the similarity of the services contained in the counterstatements, since Llapingacho does not state which services it considers to be identical or similar, or which services it considers to be dissimilar, I will still need to carry out my own comparison of the services. As regard the evidence about the services offered by the parties, it is irrelevant because the assessment I am required to make is a notional one based on terms as they appear in the relevant specifications.

27. I now turn to the services.

28. Kueski’s earlier mark is protected for the following services in class 36:

Online financial transaction services, electronic money transfer, financial loans, installment loans, personal loan financing, business loan services, home collection of financial payments, financial consulting and analysis, payment processing and electronic processing of payments through a global computer network, financing of sales through credits, facilitation and financing of credits.

The Class 36 services

29. In the first opposition, the objected services in class 36 are as follows:

Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services; providing payment processing services featuring financial transaction services via an internet web site portal.

The earlier payment processing and electronic processing of payments through a global computer network is sufficiently broad to include all the objected services, which relate to payment processing. These services are identical (Meric).

30. In the second opposition, the objected services in class 36 are as follows:

Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services; clearing and reconciling financial transactions via a global computer network; providing a wide variety of payment services and providing financial services, namely credit and debit card processing and transmission of bills and payments thereof, conducted via a global computer network.

31. As above, the contested Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services are encompassed by the earlier payment processing and

electronic processing of payments through a global computer network and are identical. The same goes for the contested providing a wide variety of payment services and providing financial services, namely credit and debit card processing and transmission of bills and payments thereof, conducted via a global computer network. These services are identical.

32. The contested clearing and reconciling financial transactions via a global computer network fall within the earlier Online financial transaction services. Clearing is the process of reconciling a financial transaction or the direct transfer of funds from one financial institution to another. It is therefore part of the financial transaction itself. If the services are not identical, they are highly similar because they have the same financial nature and purpose, target the same users, are distributed through the same trade channels, i.e. banks and other financial institutions, and are complementary because clearing and reconciling financial transactions is important to the successful completion of the financial operation in such a way that consumers may think that the responsibility for those services lies with the same undertaking.

33. In the invalidity, the objected services in class 36 are as follows:

Electronic foreign exchange payment processing; electronic payment services involving electronic processing and subsequent transmission of bill payment data; merchant services, namely, payment transaction processing services; providing financial transaction and payment processing services via a website portal.

34. The earlier payment processing and electronic processing of payments through a global computer network is sufficiently broad to include the objected services, all of which relate to payment processing. These services are identical (Meric).

The Class 42 services

35. In the first opposition, the objected services in class 42 are as follows:

Application service provider (ASP) featuring e-commerce software for use as a payment gateway that authorizes processing of credit cards or direct payments for

merchants; application service provider featuring application programming interface (API) software for accepting and sending payments via credit cards, debit cards, wire transfer and cash.

36. In its submissions in lieu, Kueski argues that the contested services in class 42 are similar to its services in class 36 for the following reasons:

“The services in Class 42 covered by [Llapingacho]’s services are similar and complementary to [Kueski]’s services since they cover provision of services allowing a gateway for the authorisation, payment and transfer of financial funds. These services are for use in the financial sector, which is identical to the sector covered by [Kueski]’s services in class 36. [Llapingacho]’s services in class 42 are directed towards payments and financial transfers and given the frequent use of online payments, transfers and transactions to purchase services (and products) as well as online banking and banking applications, which are all delivered using software services, [Kueski] contends that [Kueski]’s services in class 36 are interdependent with [Llapingacho]’s services in class 42 and therefore they are highly similar to [Kueski]’s services.

The above assertion is supported by statements made [by Llapingacho] in the Witness Statement of Sebastian Castro, for example at paragraphs 13 and 14 where he describes how consumers use their services: namely that there is a user-interface on their platform where a consumer performs a transaction.”

37. In his witness statement, Mr Castro explains that Llapingacho is in the business of providing a secure online payment processing platform where consumers are able to perform transactions using different payment options (for example, debit and credit card or cash transactions) securely (the “Kushki service”). He also explains that the Kushki service can be utilised through an online web browser or an application and that Llapingacho’s customers are typically businesses who want to use the Kushki service to securely transfer money between their customer’s credit card or bank account and their business’s bank account. It therefore appears that Llapingacho’s services consists in providing an online payment platform for businesses (similar, for example, to PayPal, though PayPal is available to both businesses and individuals)

and that Llapingacho's payment platform is used to process online payments. In this connection, Mr Castro refers, in paragraph 14 of his witness statement, to Llapingacho's customers (i.e. the businesses using Llapingacho's payment platform) performing the financial transactions using the Kushki platform.

38. I am not sure whether it is correct to say that the business using the payment platform performs the financial transaction; rather, I would think that it is the payment platform itself that processes the payment or enables the consumer's bank to do it through links between the consumer's bank (which sends the payment) and the business bank (which receives the payment). In any event, my perception (which, I think, reflects the public perception) is that those who provide online payment processing platforms are also responsible for processing the payments. On that basis, I consider that the earlier payment processing and electronic processing of payments through a global computer network are similar to the contested services in class 42 which consist, essentially, in providing software for processing payments and authorising processing of credit cards or direct payments. The services have the same uses and target the same users, have a similar nature and purpose relating to the processing of online payments, might be distributed through the same channels and are highly complementary. These services are similar to a medium degree.

39. The objected services in class 42 of the second opposition and of the invalidity action are the same as those of the first opposition and are also similar to a medium degree.

Average consumer

40. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective 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. (as he then was) 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.”

41. I agree with Llapingacho that the average consumer will include both members of the general public and professional users in the financial sector. The parties’ specifications cover a wide range of services, from online financial transaction services, electronic money transfer, payment processing and electronic processing of payments to the provision of software for accepting and sending payments via credit cards, debit cards, wire transfer and cash. Given that there is likely to be a financial impact for the user, an above medium level of attention is likely to be paid even where the services are used frequently and attract little or no cost. Consequently, I consider that an above medium degree of attention will be paid during the purchasing process, but in many cases the level of attention paid will be high.

42. The purchasing process is likely to be predominantly visual, with the services predominantly being purchased through websites, apps or bricks-and-mortar premises. However, as word-of-mouth recommendations may also play a part, I do not discount that there will also be an aural component to the purchase.

Comparison of marks

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

44. 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.

45. The respective marks are shown below:

The contested IRs	The earlier mark
	
	
	

The overall impression

46. I shall refer to the contested IRs as the KUSHKI Mundial IR, the KUSHKI logo IR, and the KUSHKI IR, respectively.

47. The dominant and distinctive element of the three IRs is the word 'KUSHKI'. In his witness statement, Mr Castro explains that *"the term 'Kushki' is inspired by the term 'cullqui', which means money in Quechuan, an indigenous language spoken in the Andes region of South America"*, whilst pointing out that the pronunciation and spelling of the term "Kushki" in connection with Llapingacho's IRs is arbitrary and has no meaning or translation in English or Spanish. Although this evidence is noted, the overall impression here must be evaluated from the perspective of the UK average consumer and there is no evidence that the UK average consumer is familiar with an indigenous language spoken in the Andes region of South America or would understand the meaning of "KUSHKI". Hence, the verbal element 'KUSHKI' in the IRs will be perceived as an invented word with an inherently high degree of distinctiveness. Whilst the KUSHKI Mundial IR and the KUSHKI logo IR contain additional elements, including the colours, a circle incorporating a check mark symbol sitting above a horizontal line, and the word 'MUNDIAL', these elements play a lesser role in the overall impression because: (a) the logos are very simplistic and do not override the rule of thumb that words speak louder than devices; (b) due to its size and positioning, the word 'KUSHKI' is visually more prominent and (c) the word 'MUNDIAL' is smaller in size, it is placed in a subsidiary position, and resembles the British word 'MONDIAL' which means *"of or involving the whole world"* and with which a significant proportion of the relevant public is likely to be familiar – this means that a significant proportion of the relevant public is likely to perceive the element 'MUNDIAL' as a foreign translation of the English word 'MONDIAL', possessing an allusive or laudatory connotation.

48. Similar considerations apply to the earlier mark. The dominant and distinctive element of the earlier mark is the word 'KUESKI'. In his witness statement, Mr Almada says that 'KUESKI' derives from the word "keski" and originates from the native language "naguatl" from Mexico and means "how much?". He also states that "Kueski" is a way of asking "How much money do you want? How much do you want to grow? How can we help you?". Once again, although this evidence is noted, the overall impression of the mark must be evaluated from the perspective of the UK average consumer and there is no evidence that the UK average consumer is familiar with the Mexican native language "naguatl" or would understand the meaning of "Kueski". Hence, the verbal element 'Kueski' in the earlier mark will be perceived as an invented

word with an inherently high degree of distinctiveness. Whilst the earlier mark contains additional elements, including the colour and the stylised image of a plant pot, these elements play a lesser role in the overall impression because the logo device is very simplistic (whereas the word “Kueski” is highly distinctive) and does not override the rule of thumb that words speak louder than devices.

49. Consequently, although not insignificant in the visual impression of the signs at issue, the word ‘Mundial’ and the graphic features are not such as to divert the relevant public’s attention away from the word elements ‘KUSHKI’ and Kueski’, which will be more easily remembered by that public and used to identify the respective marks.

Visual similarity

50. The verbal elements ‘KUSHKI’ (in the IRs) and ‘KUESKI’ (in the earlier mark) are both six-letter invented words beginning with the identical sequence ‘KU’ and ending with the identical sequence ‘KI’. The letter ‘S’ is also present in the middle of these words, the only difference being that in the IRs it is followed by a letter ‘H’ whereas in the earlier mark is preceded by a letter ‘E’. In my view the differences between the letters ‘SH’ and ‘ES’ in the middle of the words ‘KUSHKI’ and ‘KUESKI’ do not make a striking impression, and I agree with Kueski that these elements of the marks are similar to a high degree. In this connection, I reject Llapingacho’s assertion that the marks at issue are short marks and that the differences between them have more impact because of their short length. The Courts have not defined exactly what a short sign is, however, as the GC has confirmed in a number of cases, marks consisting of three or fewer letters/numbers are normally considered to be short marks.² In this case, I do not consider that two six-letter long marks can be classified as short marks in the sense relied on by Llapingacho; rather, I would describe their length as average. I am fortified in this conclusion by the fact that, when referring to the case law about short marks, Llapingacho itself referred to two case involving three-letter long marks.³

² Case T-453/18 at [18]

³ See paragraph 34 of Llapingacho’s submissions in lieu which mention Case T -274/09 *Deutsche Bahn v OHIM* (‘IC4’), where the relevant marks were IC4 versus IC (figurative) and 08/11/2021, AIR20 (fig.) / AiR (fig.) Cancellation No. 48731, though I was unable to identify the latter case.

51. In addition, whilst the use of colour and the logo devices introduce other details in the competing signs, as Kueski correctly points out, the colour used are different shades of blue and green, and the logo devices are of a similar size and are placed in the same position before the dominant verbal elements 'KUSHKI' and 'KUESKI'. Bearing in mind that the overall impression is based on the total image that a trade mark creates in the minds of the consumers and that it is the overall look or meaning of a trade mark that consumers are likely to remember, the use of similar colour and structure reinforces a similar overall impression. This, in turn, counterbalances the impact of the differences created by each single element of the signs. Overall, I consider that the KUSHKI Mundial IR is similar to a medium degree to the earlier mark and that the KUSHKI logo IR and the KUSHKI IR are similar to a medium to high degree to the earlier mark.

Aural similarity

52. Phonetically, the word 'KUSHKI' in the IRs will be pronounced either in a way that the "KUSH" element rhymes with the 'cush' of 'cushion', or else with lush/hush. The "KI" element will be pronounced as "KEY" as in "ski". The word 'KUESKI' in the earlier mark will be pronounced as CUE SKI. Overall, these elements of the marks are phonetically similar to a high degree. The word 'MUNDIAL' in one of the IRs will be pronounced in the usual way, reducing the similarity of the marks to a medium degree.

Conceptual similarity

53. Conceptually, the dominant verbal elements 'KUSHKI' and 'KUESKI' have no meaning and will be perceived as fanciful terms by the relevant public. A conceptual comparison of the signs based on their dominant and distinctive elements is not possible and the impact of these elements on the comparison of the signs is therefore neutral.

54. Whilst the logo devices convey the meaning of a check mark and a pot plant respectively, they will be seen as ornamental or, alternatively, as conveying weakly distinctive concepts in the context of the services at issue which relate to finance and

online payments; in particular, the check mark will be perceived as conveying the message that the services offered are right, correct, and complete whereas the plant pot will be perceived as conveying the message of financial wealth and growth. Either way, these elements are unlikely to represent a conceptual hook by which the marks will be recollected. Finally, the word 'MUNIDAL in the KUSHKI Mundial IR will convey the meaning of the world and will be perceived as laudatory or referring to the services being provided worldwide, with the result that it will be attributed little distinctive weight.

Distinctive character of the earlier mark

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

57. As it will be recalled, the word 'KUESKI' in the earlier mark will be perceived as invented and it is inherently distinctive to a high degree.

58. KUESKI has provided evidence of use of the earlier mark, but this is all use outside the UK (see below) and therefore it cannot show that it has acquired an enhanced level of distinctive character through use in the UK.

Likelihood of confusion

59. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where all relevant factors need to be borne in mind. The factors are interdependent, and a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, 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 marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

60. Confusion can be direct or indirect. The difference between these two types of confusion was explained in *L.A. Sugar Trade Mark*, BL O/375/10, where Iain Purvis Q.C. (as he then was) as the Appointed Person explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the

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

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

- (a) 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).
- (b) 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.).
- (c) 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).”

61. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ approved Mr Purvis’s formulation but added:

“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."

62. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17. This is mere association not indirect confusion.

63. Earlier in this decision I found that:

- a) The services at issue are either identical (or highly similar), or similar to a medium degree.
- b) The average consumer for the services is a member of the general public or a business user, who will pay an above medium or high degree of attention during the purchasing process.
- c) The purchasing process is predominantly visual, although I do not discount an aural component to the purchase.
- d) Visually, the KUSHKI Mundial IR is similar to a medium degree to the earlier mark and the KUSHKI logo IR and the KUSHKI IR are similar to a medium to high degree to the earlier mark. Aurally, the KUSHKI logo IR and the KUSHKI IR are similar to a high degree to the earlier mark and the KUSHKI Mundial IR is similar to a medium degree to the earlier mark. Conceptually, the dominant verbal elements 'KUSHKI' and 'KUESKI' have no meaning and will be perceived as fanciful terms by the relevant public. In addition, any concept conveyed by the figurative elements of the marks will be seen as ornamental or weakly distinctive and are unlikely to represent a conceptual hook by which the marks will be recollected. Finally, the word MUNDIAL in the KUSHKI Mundial IR will convey the meaning of the world and will be perceived as having little distinctive weight.

e) The earlier mark is distinctive to a high degree.

64. I keep all these findings in mind when considering whether a likelihood of confusion exists.

65. The competing marks coincide in their inclusion of the highly similar verbal elements 'KUSHKI' and 'KUESKI'. These are the elements which the average consumer will identify as denoting the origin of the services at issue. Adding to this, the figurative elements of the marks produced a similar overall impression due to the use of similar colours and the presence of a logo device before the words 'KUSHKI' and 'KUESKI'.

66. In my view, taking into account the identity (or high similarity) or medium level of similarity of the services involved, the high degree of similarity of the dominant and distinctive components 'KUSHKI' and 'KUESKI', the high distinctive character of the earlier mark and the absence of a conceptual hook upon which the memory could hang, it is likely that the relevant public will confuse the marks at issue, given that the average consumer only rarely has the chance to make a direct comparison between different marks but must place trust in the imperfect mental picture of them. Given my conclusion that the recollection of the marks at issue will be determined, in the present case, largely by their highly similar verbal element 'KUSHKI' and 'KUESKI', the fact that some of the services concerned will attract a high level of attention or that the difference in the logo devices may not escape the notice of a particularly observant and circumspect public, is not sufficient to avoid the conclusion that consumers are likely to confuse 'KUSHKI' and 'KUESKI'. This is because 'KUSHKI' and 'KUESKI' are visually and aurally similar to a degree which would easily cause them to be misremembered or mis-recalled by consumers exposed to their concurrent use for identical or similar services. In relation to the KUSHKI Mundial IR I would add only that even if I was wrong in my conclusion that a significant proportion of the relevant public would understand the meaning of MUNDIAL, that cannot prevent a likelihood of confusion because the average consumer would still identify the verbal element KUSHKI as having independent trade mark significance within the mark, as well as being the main identifier of the origin of the services.

67. For the sake of completeness, I should say that the evidence of use filed by Llapingacho is wholly irrelevant for the purpose of establishing a defence of honest concurrent use. The reason why I say this is that, as Llapingacho itself pointed out, the evidence filed by KUESKI shows use of the earlier mark in Mexico, but not in the UK. In the absence of any use of the earlier mark in the UK, the evidence of use of the IRs in the UK cannot establish the absence of actual confusion for the obvious reason that there is no side-by-side use.

68. The oppositions and the invalidity under Section 5(2)(b) are all successful in their entirety.

Section 5(3)

69. Section 5(3) of the Act states:

“5(3) A trade mark which –

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

70. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure*, Case C-323/09, *Marks and Spencer v Interflora*, Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows:

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

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

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

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

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

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

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

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such

a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40.

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

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

72. The relevant date for the assessment under Section 5(3) are the filing dates of the contested IR, being 30 November 2022, 10 November 2022 and 19 October 2022.

Reputation

73. In *General Motors*, Case C-375/97, the CJEU held that:

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

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

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

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

74. As it will be recalled, Mr Almada’s evidence shows use of the earlier mark in Mexico but not in the UK. This is borne out by KUESKI’s written submission at [43] which reads as follows:

“[KUESKI] has used their mark since 2012 and has established a strong reputation in South America, particularly in Mexico where [KUESKI]’s Registration has been officially recognised as a well-known trade mark. Although it is arguable that the reputation of [KUESKI]’s Registration only extends within the South American market, it is clear that [KUESKI] is using [its] Registration online, via social media, Facebook and Instagram, which means

that [KUESKI] is reaching a far more global audience than South America. [KUESKI]’s Registration is a distinctive trade mark, dominant in its market of offering financial loans. [KUESKI] contends that there will be spill over reputation with respect to [KUESKI]’s Registration and use and registration of [Llapingacho]’s Marks will be detrimental to the strong reputation of [KUESKI]’s Registration.”

75. First, neither the Act nor the EU Trade Mark Directive (TMD) 2015/2436 refer to the concept of “spill over reputation”. Further, it is not clear that “spill over reputation” is the same concept as “reputation” within the meaning of Section 5(3) of the Act (or, indeed, the equivalent provision of the TMD).

76. Second, although KUESKI says that the earlier mark is well-known in Mexico,⁴ it does not rely on the earlier mark being a well-known mark within the meaning of Section 56 of the Act. This is important because the protection of well-known marks does not require use (or registration) within the UK, Section 56 only requiring that the relevant mark is well-known (or popular) in the UK, regardless of whether or not the owner carries on business, or has any goodwill, in the UK.

77. Conversely, for a mark to be protected under Section 5(3) it must have a reputation in the UK. Naturally, reputation arises out of use and trading activities in the territory in which the relevant business has been carried on. In order to establish reputation for the purpose of Section 5(3), the trade mark must be known by a significant part of the public concerned by the goods or services covered by that trade mark in the UK. The territorial aspect of the reputation within the meaning of Section 5(3) generally requires that an undertaking which seeks to establish goodwill and reputation has customers among the relevant public in the UK for the registered goods or services. KUESKI does not have a business in the UK and mere registration of the earlier mark in the UK clearly does not amount to reputation. The services in question are financial services offered in Mexico – Mr Almada says that KUESKI has become the most important online lending company in Mexico with more than 6.3 million loans deposited and a

⁴ See Exhibit CASA-2 attaching is a copy of the Declaration of Notoriety of the Trademark KUE SKI and design as issued by IMPI Mexican Institute of Industrial Property.

team of more than 600 people - but there is no evidence that KUESKI services have a local presence in the UK or are available to UK customers. Whilst Mr Almada filed evidence about how often a search for the term KUESKI was performed in various time periods, the selected territory for the report is Mexico.⁵ Likewise, a copy of Facebook Activity Record which shows that KUESKI had 308,298 followers as of December 2023⁶, is in Spanish and does not provide any detail as to how many followers were from the UK. The same problems are inherent to the evidence about the number of followers of KUESKI's Twitter and Instagram accounts and a number of videos posted by KUESKI on YouTube,⁷ all of which are in Spanish with no indication that they reached UK consumers. The same goes for the evidence of advertising, which does not provide UK specific figures. Mr Almada also refers to KUESKI entering into Advertising Services Agreements with companies such as Televisa and Grupo Radio Centro, which as far as I am aware, are not UK-based companies. Likewise, the copy of a market research study produced by Mr Almada is the result of a market study in carried out in Mexico.⁸ Finally, although there is some evidence of the earlier mark being mentioned in books, magazines and articles written in English,⁹ it is not clear whether they were distributed in the UK (or, indeed, what was their reach in terms of readership).

78. Admittedly, it is not impossible to establish reputation in cases whereby the relevant business is engaged in commercial activities outside the UK. However, these are rare cases, and whilst the growth of the internet might have given rise to scenarios whereby business owners have expanded their claims to have a “spill-over” reputation in the UK without carrying on business in this country, the English courts have confirmed the approach that goodwill and reputation in the UK only arise out of use of the name or mark in commerce in the sense of targeting UK customers, or having a market presence in the UK or doing business the UK.¹⁰ The mere fact that a name or mark is visible or on display on a screen in the UK by accessing a website or a social media account, which is not obviously directed at the UK (as in this case where the

⁵ CASA-3

⁶ CASA-4

⁷ CASA-5-6

⁸ CASA-12

⁹ CASA-10

¹⁰ *Starbucks (HK) Ltd & Anor v British Sky Broadcasting Group Plc & Ors* [2013] EWCA Civ 1465

business and its internet presence are targeted at consumers in Mexico), does not amount to use targeting UK consumers and cannot give rise to any reputation (or spill over reputation) in the UK.¹¹

79. The Section 5(3) claim fails at the first hurdle.

CONCLUSIONS

80. The oppositions and the invalidity have been successful in their entirety under Section 5(2)(b). Accordingly, the requests for protection in the UK of international trade mark nos. 1721833 and 1722076 are refused and international registration no. 1630140 designating the UK is declared invalid.

COSTS

81. Kueski has been successful and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award Kueski the sum of £2,500, calculated as follows:

Preparing two notices of opposition and an application for invalidation: £900

Filing evidence and considering the other side's evidence: £500¹²

Filing written submissions: £500

Official fees: £600

Total: £2,500

82. I therefore order Llapingacho LLC to pay KUESKI, S.A.P.I. DE C.V. SOFOM, E.N.R. the sum of £2,500. 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.

¹¹ *Lifestyle Equities CV and another (Respondents) v Amazon UK Services Ltd and others* [2024] UKSC 8, at [24] to [31].

¹² I have reduced the costs awarded for the evidence given that it was mostly irrelevant

Dated this 2nd day of May 2025

TERESA PERKS

For the Registrar