

Instagram v Meta 404: Not for the GRAM

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The High Court has dismissed an appeal brought by Instagram from a hearing officer's decision rejecting its opposition to the registration of the word mark SOUNDGRAM as a UK trade mark for identical goods and services.¹ Richards J' judgment demonstrates the high threshold to be met on appeal for reversing a hearing officer's decision and the importance of drawing explicit evidential conclusions at first instance.

Background

Instagram is, by now, a well-known provider of a photo and video sharing service and social media network. Instagram owns a UK trade mark for INSTAGRAM (since 2016) and an EU trade mark for GRAM (since 2019), both registered in Class 38 for electronic transmission of streamed media content, amongst other goods and services (the Instagram Marks). On the basis of these marks, Instagram opposed the application for SOUNDGRAM, which was filed for an identical specification under Class 38 by EE&T (the Soundgram Mark), who later assigned the mark to Meta 404 Ltd.

The opposition was based on the Trade Marks Act 1994 ss.5(2)(b) and 5(3), respectively a likelihood of confusion and unfair advantage of, or detriment to, the distinctive character or the repute of the Instagram Marks.

Hearing Officer's decision

In rejecting the opposition, the Hearing Officer made the following evaluative conclusions:

- The "average consumer" would pay an "above average" degree of attention when selecting the services, given that the consumer would wish to ensure they are selecting the correct type of service which works with their phone and other hardware.

- The Soundgram Mark was similar to INSTAGRAM to a low degree. Despite the identical suffix, the first five letters of the marks were completely different.
- INSTAGRAM had a medium to high level of inherent distinctiveness.
- The Soundgram Mark was similar to GRAM to a low degree, rejecting Instagram's evidence demonstrating the inherent and acquired distinctiveness of GRAM. To this end, the Hearing Officer concluded that the average consumer has been accustomed to seeing the word "GRAM" used to indicate a message for decades (e.g. telegram, Candygrams, Kissograms, Strippergrams).
- There was no likelihood of confusion between the Instagram Marks and the Soundgram Mark.
- The marks were so different that they did not give rise even to the "bringing to mind" stage of the analysis under s.5(3).

High Court decision

Instagram brought its appeal on five grounds. These and the judge's reasons for rejecting them are discussed below.

Ground 1—the distinctiveness of the Gram mark

Instagram argued that the Hearing Officer had made errors of principle which infected his overall conclusions on "degree of similarity" and "likelihood of confusion" by failing to recognise the at least average inherent distinctiveness of the GRAM mark and enhanced distinctiveness the mark had acquired through use in the telecommunications sector. Counsel for Instagram stated that the error in principle was one of "perversity" because no reasonable hearing officer could have reached the Hearing Officer's conclusion on the basis of the evidence and submissions before him. The court emphasised that this was a high obstacle to overcome by any party since a court would not lightly assume that an "expert tribunal, making evaluative determinations in a specialist field, will have gone so wrong as to reach a perverse conclusion".

Turning to the arguments, the court held that it was reasonable for the Hearing Officer to restrict his analysis to the suffix "gram" in respect of telecommunications services (e.g. "telegram") without delving into other uses of the word/suffix "gram" which would equally have rendered the use in the telecommunications sector more distinctive than descriptive (e.g. as a unit of mass, "histogram", "parallelogram", "echocardiogram"). Contrary to Instagram's submissions, the Hearing Officer was not obliged to consider all possible uses of the suffix.

¹ *Instagram LLC v Meta 404 Ltd* [2023] EWHC 436 (Ch).

Furthermore, Instagram argued that the only reasonable conclusion to be drawn from the evidence it submitted was that the GRAM mark had acquired enhanced distinctiveness through use. The court noted that this was a high hurdle to satisfy. The judge held that the media evidence that Instagram submitted, including a Craig David song title and excerpts from the *Graham Norton Show*, were not of Instagram's own use of the GRAM mark and did not demonstrate that a material proportion of the relevant section of the public used the word to refer to Instagram's services. Equally, dictionary evidence alone did not explain how prevalent the use of a word was. As such, the Hearing Officer could reasonably have formed the view that the evidence was insufficient to underpin the conclusion that he was bound to find that the GRAM mark had acquired enhanced distinctiveness.

Instagram also argued that the Hearing Officer wrongly downplayed the significance of its evidence based on the Cambridge English Dictionary which referred to "Gram". The court, however, held that Instagram had failed to address what conclusions should be drawn from this evidence, and it was not perverse for the Hearing Officer to decline to fill in the gaps for them. Interestingly, the judge acknowledged that the "Hearing Officer was perhaps more particular on these points than he could permissibly have been", but still found that it was "not perverse" for the Hearing Officer to make no conclusions on the basis of this evidence without more from Instagram.

Ground 2—The Hearing Officer erred in concluding that the Instagram Marks were similar to the Soundgram Mark only to a low degree

The court dismissed the argument that the Hearing Officer did not explicitly set out, in his decision, which elements of the marks were dominant and distinctive. Considering the general rule that the beginnings of words tend to have more impact than their endings, and that "gram" was taken to be allusive of telecommunications services (and therefore of lower distinctiveness), it was clear why the Hearing Officer focused his assessment on the start of the marks. Nevertheless, Instagram argued that the "Sound" element of the Soundgram Mark was allusive of the goods and services within the specification, and as such, greater dominance was to be placed on the "-gram" suffix. The court acknowledged that this was a perfectly respectable argument, but it was one which had been put before the Hearing Officer, who had evidently not accepted it, or had not fully accepted it. However, the presence of respectable or even strong arguments that detract from the Hearing Officer's evaluative conclusions are not sufficient to demonstrate that the alternative conclusion was unavailable to him.

Ground 3—the attention of the average consumer

On appeal, Instagram had attempted to bring in additional factors to negate the Hearing Officer's findings that the average consumer paid an above-average degree of attention when purchasing the relevant goods and services, mainly that consumers obtaining a free app would likely be paying a low level of attention (given that it is a risk-free decision) and that the "average consumer" was likely to include—to a large extent—Instagram users. The court suggested that these arguments may have plausibly resulted in a different decision by the Hearing Officer, but given that he had not been presented with these arguments prior to the appeal, his decision was not vitiated by any error of principle.

Ground 4—likelihood of confusion

Instagram had asserted that the Hearing Officer's errors under all or any of Grounds 1 to 3 led him to make a flawed finding that the requisite "likelihood of confusion" for the purposes of s.5(2)(b) was not present. Since each of these grounds failed, Ground 4 failed as well.

Ground 5—SOUNDGRAM brings to mind INSTAGRAM

This part of the court's judgment demonstrates the difficulty of reversing the decision of a hearing officer, even where it feels instinctively wrong, and even where it is shown that the hearing officer could have reached a contrary conclusion. Instagram had attempted to re-argue the case that its marks were more similar, more distinctive and more renowned than the Hearing Officer had concluded, and therefore it was inevitable that INSTAGRAM would be called to mind by the Soundgram Mark. The court dismissed this ground of appeal, finding that the Hearing Officer was entitled to reach his conclusions, and that the way in which he balanced various considerations was not plainly wrong. When it comes to multifactorial evaluations, it is unsurprising that a different conclusion might be reached on similar questions, but that does not render the conclusion reached perverse.

Comment

This decision serves as a reminder of the significant hurdles to be satisfied by appellants challenging a decision by a lower tribunal, plainly indicating that evaluative conclusions may legitimately be reached in either direction.

As a practical takeaway, this judgment also makes clear the need for parties to draw explicit conclusions, *at first instance*, on the evidence they submit before a tribunal, and not rely on the judge to deduce these arguments independently. Whilst a point may be considered to follow obviously from the evidence presented, it should be clearly and unambiguously spelled out. Such

unequivocal reasoning may increase the likelihood that a hearing officer would be compelled to reach an alternative decision.