

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2120020A
BY HALFORDS LIMITED TO REGISTER A MARK
IN CLASS 25**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No 48345 BY REAL SB-WARENHAUS HOLDING GMBH**

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**IN THE MATTER OF Application No 2120020A
by Halfords Limited to register a mark in Class 25**

and

**IN THE MATTER OF Opposition thereto under
No 48345 by Real SB-Warenhaus Holding GmbH**

DECISION

1. On 3 January 1997 Halfords Ltd applied to register the following mark



for a specification of goods in Class 25 which reads “articles of clothing including footwear, gloves and headgear”.

The application is numbered 2120020A.

2. On 17 March 1998 Real SB-Warenhaus Holding GmbH filed notice of opposition to this application on the basis of an earlier Community Trade Mark application No 38968, the specification of which covers, inter alia, clothing, footwear and headgear.

3. Objection is taken under Section 5(2) of the Act. There is also a claim that “the mark applied for cannot serve to distinguish the goods of the applicants from those of other traders, in particular those of the opponents” and a more general claim that registration and use would obstruct or prejudice the legitimate conduct of the opponents’ business. No further explanation is offered and I cannot see any obvious basis in law or on the facts for such claims.

4. The applicants filed a counterstatement denying the above grounds.
5. Both sides ask for an award of costs in their favour.
6. Both sides filed evidence. The matter came to be heard on 7 August 2001 when the applicants were represented by Mr B K C Dunlop of Wynne-Jones, Lainé & James. The opponents were not represented at the hearing.
7. Most of the evidence filed by the opponents is in the nature of submissions on the twin issues of similarity of goods and marks and on a piece of questionnaire evidence submitted by the applicants. I do not need to offer a summary of the evidence but confirm that I have considered all the material filed by the parties and will draw on it where relevant in reaching my decision.
8. I turn to the ground of opposition under Section 5(2). As identical marks are not involved the objection must be based on Section 5(2)(b). This reads:

"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."

9. Section 6(1) and (2) of the Act deals with what constitutes an 'earlier trade mark' and reads:

"6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be

an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

10. The opponents’ CTM application has a filing date of 1 April 1996 and thus has the capacity to become an earlier trade mark but by virtue of sub-section (2) above will only become so if and when it achieves registration. I will return to this later in the decision.

11. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

12. It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v. Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 26;
- (h) further, 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; *Marca Mode CV v. Adidas AG*, paragraph 41;

- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

13. The applicants accept that the opponents' mark covers goods which are identical to those of the application in suit. The matter, therefore, turns on the marks themselves.

14. Mr Dunlop made a number of submissions in relation to the opponents' mark. These can be summarised as being that the mark is the subject of a colour claim and that colour should accordingly be taken to be a feature of the mark; that the distinctive character of the mark lies in the colour combination and device element; and that the word 'real' was a weakly distinctive element. Basing his observations on an exhibit (JP-2a) in the opponents' evidence, Mr Dunlop also suggested that the opponents' use was primarily as a service mark and the manner of use made confusion less likely.

15. This is a suitable point to touch briefly on the evidence filed by Dr Jens Potten, a director of the opponent company. He gives evidence, inter alia, about the company's trading activities in Germany. I see no need to record the details as it is not directly relevant to proceedings in the UK. The exhibit referred to by Mr Dunlop is a catalogue in German. No translation is offered but it is possible to see the sort of goods available and usage of the mark. The device element can on occasions appear to be a comma followed by a hyphen though it is also used somewhat unusually in conjunction with pricing information. I have some sympathy with Mr Dunlop's views as to the nature of the usage shown (ie. primarily as a service mark with goods being sold under third party brands) but I must still consider the matter on the basis of notional and fair use in this country having regard to the goods of the opponents' CTM application. In the absence of use in this country the opponents cannot claim any enhanced degree of distinctive character for their mark.

16. That brings me to the inherent characteristics of the opponents' mark. It can be said to consist of three elements - the word 'real', the irregular shaped device at the end of the word and the colour combination with the word and device in contrasting colours. The opponents suggest (paragraph 5 of Dr Potten's first affidavit) that their device, in common with that of the applicants, is a stylised letter 'R'. It is possible that some people might see it that way but I am far from convinced that this will generally be the case. It may simply be seen as an abstract shape. The device is in my view a minor but not negligible feature of the mark. The contrasting colours help to pick it out and, I would suggest, have the incidental effect of reducing the risk of the word 'real' being used or seen as a purely descriptive element. I would be surprised if the average consumer faced with the opponents' mark did not see it, and refer to it, as a 'real' mark. Words usually talk in trade marks and that is likely to be the case here. Thus whilst each element of the mark plays a part, the word 'real' is the most dominant and memorable element.

17. In this latter respect Mr Dunlop referred me to a passage from *The European Ltd v The Economist Newspaper Ltd* 1998 FSR 283 where Millett LJ considered the guidance from *Sabel v Puma* to the effect that "the more distinctive the earlier mark, the greater will be the

likelihood of confusion” and went on to say “the converse, of course, follows. The more descriptive and the less distinctive the major feature of the mark, the less the likelihood of confusion”.

18. ‘Real’ is an ordinary dictionary word with various meanings such as ‘actual’, ‘genuine’ or ‘not imaginary’. Less commonly it is known as the name of a coin and can also mean royal or regal. It may be recognised in this country in the context of the name of the football team Real Madrid. I do not know how the parties present their marks or intend them to be pronounced. Probably the commonest meaning and pronunciation will prevail unless the public is educated to a different pronunciation. Either way I am inclined to accept Mr Dunlop’s submission that it is not a word that, taken on its own and without the benefit of use, can claim to have a particularly strong distinctive character. Equally it is not so entirely or obviously descriptive (without adding to it) as the word European in the above case.

19. With those preliminary observations in mind I go on to consider the visual, aural and conceptual similarities of the respective marks. Visually I find the device element of the applicants’ mark to be a prominent element of their mark. It would not be overlooked but it is not so completely overwhelming that the accompanying word will be lost. The device element of the opponents’ mark, as I have suggested above, makes less of an impression even allowing for the colour contrast. I note too that both words are presented in a lower case format. The result is that the marks have an element in common and some resulting visual similarity but direct confusion seems unlikely given the prominence of the applicants’ device.

20. Orally, I would be surprised if the marks were referred to as other than by reference to the word ‘real’. The devices (whether they are understood to be stylised ‘Rs’ or not) do not lend themselves to easy descriptive reference.

21. Conceptually, comparison depends very much on how the average consumer perceives the marks. If I am right that in each case the word element provides the most readily available form of recognition then conceptual similarity must be strong. But I do not go so far as the opponents in suggesting that consumers will regard both devices as stylised letter Rs.

22. Taking the matter in the round, and bearing in mind that visual indicators are usually dominant in the context of clothing (see REACT Trade Mark 2000 RPC 285), I do not think that direct confusion is likely. But the word elements are identical and significant or dominant elements of the marks. It was held in CANON that:

“..... the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see *SABEL*, paragraphs 16 to 18).”

23. It seems to me that, if the marks were to be used in relation to identical or closely similar goods, the average consumer remembering the word ‘real’ would be likely to consider that it was the opponents’ mark being used with an additional or different device element and that origin confusion would result. That brings the matter squarely within the CANON test.

24. I have also considered an OHIM Appeal Board decision (Case R753/2000-1) referred to by Mr Dunlop where the marks PLANET and PLANET NEW YORK and device were held to be sufficiently dissimilar to avoid confusion. However I am not persuaded that this should change my view of the matter. It is clear that the Appeal Board felt able to distinguish the marks on the basis of the different messages conveyed by the words. That is not the case here. The opposition therefore succeeds under Section 5(2)(b).

25. However, under the provisions of Section 6(2) the final outcome is dependent upon the earlier Community Trade Mark owned by the opponents achieving registration. Accordingly, this is a provisional decision, dependent on that occurrence. The opponents are to inform the registry once registration has been achieved, and a supplementary, final decision will be issued at that time. Consequently, I make no order on costs now. Further, the period for appeal will begin from the date of that final decision.

Dated this 23RD day of August 2001

**M REYNOLDS
For the Registrar
the Comptroller-General**

Opponents' earlier trade mark

No.	Mark	Classes	Specification
CTM 38968		03	Washing and bleaching preparations; degreasers and abrasives; soaps; perfumery; essential oils, cosmetics, hair lotions; dentifrices
		08	Hand operated tools and equipment, cutlery, table forks and spoons; arms (side-); razors
		16	Paper, cardboard and goods made from these materials, as far as contained in Class 16; printed matter; bookbinding material; photographs; stationery; adhesives [glues] for stationery or household purposes; artists' materials; paintbrushes; typewriters and office requisites (except furniture); teaching materials (except apparatus); packaging material of plastics (as far as contained in Class 16)
		18	Leather and imitation leather as well as goods made from these (as far as contained in Class 18); pelts and furs; travelling trunks and suitcases; umbrellas, parasols and walking-sticks; whips, harness and saddlery
		20	Furniture, mirrors, picture frames; goods, not included in other classes, of wood, cork, cane, rushes, wicker, horn, bone, ivory, whalebone, tortoiseshell, amber, mother-of-pearl, meerschaum and substitutes for these or of plastics

- 21 Equipment and containers for household and kitchen (not of precious metal or coated therewith) as far contained in Class 21; combs and sponges; brushes (except paintbrushes); material for brush-making; articles for cleaning purposes; steel wool; glass, unworked or semi-worked (except building glass); glassware, porcelain ware and crockery, as far as contained in Class 21
- 22 Ropes, string, nets, tents, tarpaulins, sails, sacks (as far as contained in Class 22), stuffing materials (except rubber or plastic); raw fibrous textile materials
- 24 Woven material and textile goods, as far as included in Class 24; bed blankets and table cloths
- 25 Clothing, footwear, headgear
- 28 Games, toys, gymnastic and sporting articles, as far as included in Class 24
- 29 Meat, fish, poultry and game, meat extracts; preserved, dried and cooked fruit and vegetables; meat, fish, fruit and vegetable jellies; hams, eggs, milk and milk products, namely butter, cheese, cream, yoghurt, quark, milk powder for food; tinned meat, fish, fruit and vegetables
- 30 Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and cereal preparations (except animal foodstuffs); bread, pastries and cakes, edible ice; honey, golden syrup; yeast, baking powder; table salt; mustard; vinegar, sauces (except salad dressings); salad dressings; spices; ice for refreshment
- 31 Agricultural, horticultural and

forestry products, namely grains [seeds], and other propagation material, unprocessed cereals, eggs for hatching, unprocessed timber; live animals; fresh fruit and vegetables, seeds, live plants and natural flowers; animal foodstuffs, malt

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Beers; mineral waters and aerated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for the preparation of beverages.