

**TRADE MARKS ACT 1994
AND
THE TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 1996**

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 767257
AND THE REQUEST BY C.D. S.R.L.
TO PROTECT A TRADE MARK IN CLASSES 3 AND 5**

Background

1. On 28 May 2001, C.D. S.R.L. of Via Stazione Vecchia, 72, I- 25050 PROVAGLIO D'ISEO (BS), Italy, on the basis of International Registration No 767257 requested protection in the United Kingdom, under the provisions of the Madrid Protocol, of the trade mark:



Gerard's

2. The application was made in respect of the following goods:

- | | |
|---------|---|
| Class 3 | Soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices. |
| Class 5 | Sanitary products; herbalists' products for medicinal, cosmetic and sanitary purposes; cosmetic products for medicinal use. |

3. It was considered that the request failed to satisfy the requirements for registration in accordance with Article 3 of the Trade Marks (International Registration) Order 1996 and Notice of Refusal under Article 9(3) was given because the mark is excluded from registration by Section 5(2) of the Trade Marks Act 1994. This is because of fourteen registered marks, details of these marks and the goods for which they are registered may be found at Annex A.

4. In a letter dated 13 May 2002 from Mathys & Squire, the trade mark attorneys representing the applicants, no submissions in support of the application were made but it was stated that the applicants will rely on honest concurrent use to overcome the objection. Further time was allowed for evidence to be gathered and this was formally submitted on 30 September 2002. However, the covering letter indicated that additional evidence was to be submitted and this was formally filed on 25 November

2002. This evidence, in total, was considered insufficient to overcome the objections and the objection was maintained.

5. A hearing was held on 7 May 2003 at which the applicants were represented by Mr Symonds of Mathys & Squire, their trade mark attorneys. At the hearing the objection under Section 5(2) of the Act was again maintained and notice of refusal was issued on 9 September 2003.

6. I am now aware that Citation 880748A is expired and has the status of “Archived”. In the circumstances it no longer constitutes a barrier to the progress of this application and is waived. In the circumstances I shall make no further mention of this citation in this decision.

7. I am now asked under Section 76 of the Act and Rule 62(2) of the Trade Marks Rules 2000 to state in writing the grounds of my decision and the materials used in arriving at it.

The Law

8. Section 5(2) of the Act reads as follows:

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

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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. An earlier trade mark is defined in Section 6(1) which states:

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

- (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,”

10. The relevant part of the Act which deals with honest concurrent use is Section 7 which reads as follows:

“7.- (1) This section applies where on an application for the registration of a trade mark it appears to the registrar-

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.

(3) For the purposes of this section “honest concurrent use” means such use in the United Kingdom, by the applicant or with his consent, as would formerly have amounted to honest concurrent use for the purposes of section 12(2) of the Trade Marks Act 1938.”

The prima face case for registration

11. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] R.P.C. 199, *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* page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG* page 224; 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 the m he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* page 84, 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* page 224;
- (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* page 224;

(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* page 7, 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* page 8, 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* page 224;

(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* page 732, 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* page 9 paragraph 29.

Distinctive character of the earlier trade marks

13. It is clear from the ECJ's judgment in the case of *Sabel BV v Puma AG* that the likelihood of confusion may be increased where the earlier trade mark has a highly distinctive character.

14. The earlier trade marks are all registered trade marks and are therefore deemed to possess distinctive character (Section 72 of the Act refers). All of the earlier trade marks consist of or incorporate the word GERARD or GERARD's. I note that many of the citations consist of the words GERARD or GERARD'S with other non-distinctive matter to which all rights have been disclaimed. Although I must judge the earlier trade marks in their totality I consider the words GERARD or GERARD'S to be prominent and distinctive elements that will be relied on in both visual appreciation of, and oral references to, these trade marks. As far as I am aware the only meaning that may be attributed to the word GERARD is that of a surname or of a forename. As a surname it appears 17 times in the London Telephone Directory. The phonetic equivalent GERRARD appears 54 times in the same publication. The word GERARD is a known forename but as far as I am aware it is not a particularly common forename. The earlier trade marks are all registered trade marks and although they do not possess the highest level of distinctive character, which is reserved for invented words, they do possess a sufficient level of distinctive character per se.

Similarity of the goods

15. The applicants have applied for registration of their trade mark in Classes 3 and 5. The specifications applied for in both Class 3 and Class 5 are sufficiently wide in their

coverage that there is a direct conflict with the goods contained within the specifications of all of the earlier trade marks as identical goods are involved.

Similarity of the marks

16. Since the trade mark of this application is not identical to the earlier trade marks the matter falls to be decided under sub-section (b) of Section 5(2) of the Act. The question therefore, is whether the trade mark of this application is so similar to the earlier trade marks that there exists a likelihood of confusion which includes the likelihood of association on the part of the public.

17. The similarity of the trade marks must be assessed by reference to the visual, aural and conceptual similarities of the trade marks. It is clear from the judgment of the ECJ in the case of *Sabel BV v Puma AG* that I must assess the overall impressions created by the trade marks bearing in mind their distinctive and dominant components.

18. The applicants' trade mark is a composite mark consisting of a stylised letter G placed over, and overlapping, a device of a square with the word GERARD'S (in italics) positioned to the right. The stylised letter G together with the device is a distinctive element within the trade mark and cannot be considered to be de minimis. However, I do not consider this to be a dominant element. In my view the dominant element of this trade mark is the word GERARD'S. Both aurally and visually it is the element of the trade mark upon which one would rely when referring to this trade mark.

19. All of the earlier trade marks consist of or incorporate the word GERARD or GERARD'S. I note that many of the citations consist of the words GERARD or GERARD'S with other non-distinctive matter to which all rights have been disclaimed. Although I must judge the earlier trade marks in their totality I consider the words GERARD or GERARD'S to be prominent and distinctive elements that will be relied on in both visual appreciation of, and oral references to, the trade marks. I note that Registration No 779371A is for the word GERARD in the style of a signature but I do not accept that this is sufficient to detract from the fact that it consists of the word GERARD. I also note that Registration No 1185264 is a composite trade mark in which the word GERARD'S is placed in the top right hand corner of the device and that other matter is present. This may detract from the visual similarities of the trade marks in question but aurally I consider them to be very similar. In my view all of the earlier trade marks are similar to the applicants' trade mark.

Likelihood of confusion

20. In correspondence following the issue of the examination report, and at the hearing, no submissions have been made by the applicants or their representatives that the objection under Section 5(2)(b) of the Act should be waived. It appears that they were content to rely on the filing of evidence in order to proceed on the basis of Honest Concurrent Use.

21. The goods in question are identical and I have found that all of the earlier trade marks are similar to the applicants' trade mark. The goods in conflict are not

specialised in nature but are such that may be described as everyday goods which may be purchased without a great deal of consideration. They are relatively low in price. Although there are clear differences between the trade marks in conflict I have identified similarities. Both aurally and visually they all consist of or incorporate the words GERARD or GERARD'S. The other matter present in these trade marks does not remove the fact that this is the dominant distinctive character of all of the trade marks. Conceptually, I can detect no differences between any of these trade marks.

22. I must, of course, bear in mind that a mere possibility of confusion is not sufficient. (See eg *React Trade Mark* [2000] RPC 285 at page 290). The Act requires that there must be a likelihood of confusion. I have already found the goods in conflict to be identical. It is also clear that where there is a lesser degree of similarity between the trade marks this may be offset by a greater degree of similarity between the goods (and vice versa) - see *Lloyd Schuhfabrik Meyer & CO GmbH v Klijsen Handel BV*.

23. Furthermore it is now well established that the matter must be determined by reference to the likely reaction of an average consumer of the goods in question, who is deemed to be reasonably well informed, reasonably observant and circumspect. In relation to these goods I consider the average consumer to be the general public. The average consumer generally relies upon the imperfect picture of the earlier trade marks that he or she has kept in his or her mind and must therefore rely upon the overall impression created by the trade marks in order to avoid confusion. In this case I believe the identity of the goods in Classes 3 and 5 coupled with the relatively high degree of distinctive character of the trade marks and the similarity between them, is sufficient to give rise to a likelihood of confusion within the meaning of Section 5(2)(b) of the Act.

24. I therefore conclude that there is a likelihood of confusion which includes the likelihood of association. In reaching this conclusion I bear in mind that it is sufficient if an average consumer encountering the respective trade marks would assume that the marks identify a single undertaking or undertakings with an economic connection.

Honest concurrent use: the applicants' evidence

25. The evidence comprises two Witness Statements with seven accompanying exhibits.

26. The first Witness Statement is dated 19 September 2002 and is by Mr Michael Morris, Managing Director of Gerrard's UK Limited. Mr Morris states that they are the exclusive distributor in the UK of goods imported from the applicants bearing the trade mark applied for. Mr Morris states that the trade mark applied for was first used in June 1998 in relation to the following goods:

Cosmetics - including foundations, concealers, face powders, blushers, bronzing powder, eye shadow, eye pencils, lip pencils mascara and lip sticks;

essential oils - including honeysuckle, rosemary, geranium, white musk, almond oil and azulene oil;

herbalist products - for medicinal, cosmetic and sanitary purposes including extracts of ivy, pennywort, arnica, butchers broom, ginseng, elder, seaweed, anti-acne serums;

as well as:-

cleansers, creams, gels, peels, and masks, collagen creams, anti-wrinkle and anti-ageing creams, exfoliates, massage creams, moisturisers, de-reddening gels, cellulite treatment and anti-cellulite creams, body scrubs, protective winter creams, make-up removers and tanning oils.”

27. Financial information regarding the use of the trade mark in respect of these goods was provided as follows:

YEAR	Turnover	Promotional Costs
1999	£16,603	£16,965
2000	£72,733	£52,567
2001	£105,922	£99,901

28. Mr Morris further states that the goods in question have been sold under the trade mark applied for throughout the UK.

29. In a Supplementary Witness Statement dated 11 November 2002 Mr Morris stated that the trade mark applied for was first used, in relation to the goods identified in his Witness Statement dated 18 September 2002, since 1996. Mr Morris provided the following financial information:

YEAR	Turnover
1996	£38,856
1997	£26,086
1998	£50,000

30. Seven exhibits showing use of the trade mark were submitted in support of the first Witness Statement:

- MM1 a copy of Salon Plus magazine containing an advertisement on page 22;
- MM2 promotional literature;
- MM3 an advertising display placard;
- MM5 a carton for cleansing milk;
- MM6 a price list;
- MM7 a carrier bag;
- MM8 illustrations of poster and display materials.

Honest concurrent use: the decision on the evidence

31. At the hearing Mr Morris submitted that the evidence filed is sufficient to justify the waiving of the objection under Section 5(2)(b) of the Act on the basis of honest concurrent use.

32. Section 7(3) of the 1994 Act states that “honest concurrent use” means use by the applicant as would formerly have amounted to honest concurrent use under Section 12(2) of the 1938 Trade Marks Act. The effect of this section is therefore to introduce the old law of honest concurrent use into the new Act. The Registrar’s practice under the 1938 Trade Marks Act was to focus on the use that had been made of the later filed application. The requirements in this respect are quite rigorous in that five years good use before the date of application is usually regarded as a starting point, but that of course may be varied depending on the scale of use and the extent of advertising.

33. The approach to be followed when considering honest concurrent use is set out by Lord Tomlin in the House of Lords in the *Alex Pirie and Sons Ltd* application (1933) 50 RPC 147. A summary of the factors that the tribunal should take into account when considering an application for honest concurrent use is given in Kerly’s Law of Trade Marks and Trade Names (13th Edition) at page 261 as follows:

“(1) the extent of use in time and quantity and the area of the trade;

(2) the degree of confusion likely to ensue from the resemblance of the marks which is to a large extent indicative of the measure of public inconvenience;

(3) the honesty of the concurrent use;

(4) whether any instances of confusion have in fact been proved;

(5) the relative inconvenience which would be caused if the mark were registered.”

34. And also on page 262;

“Public interest

The tribunal should always consider the public interest. This has long been a matter taken into account in determining whether there is honest concurrent use. Accordingly the Registrar should always consider whether the public are adequately protected. The tribunal will consider whether it is just to register, even if there is some confusion.”

35. I note from the judgement that Lord Tomlin considers that a certain degree of confusion between the two marks is tolerable if the overall equitable considerations outweigh the risk. Indeed the *Pirie* application was eventually allowed to proceed on the basis of honest concurrent use after full consideration of the facts had been given. The considerations therefore are all a matter of degree, and the points as summarised by Kerly’s Law of Trade Marks and Trade Names earlier in this decision must

therefore be carefully considered in any claim for honest concurrent use. I now go on to consider the points as they arise in the summary.

1. *the extent of use in time and quantity and the area of the trade*

The applicants have not provided an actual date that the trade mark was first used in respect of the goods in question but state that it was in 1996. This provides then with a period of use between 4.5 and 5.5 years. Turnover figures are provided for the years 1996 to 2001 but these are not substantial. Furthermore figures relating to the promotion of the goods under the trade mark are only provided for the period 1999 to 2002 and, again, they are insubstantial.

2. *the degree of confusion likely to ensue from the resemblance of the marks is to a large extent indicative of the measure of public inconvenience*

The goods in conflict are either identical or similar and all of the trade marks in question consist of or incorporate the words GERARD, GERARD'S or GERARDS'S. I consider the likelihood of confusion and, therefore, the measure of public inconvenience is high.

3. *the honesty of the concurrent use*

Based on the evidence before me, I consider that the applicants' use of the trade mark is honest.

4. *Whether any instances of confusion have in fact been proved*

There is no evidence of confusion but neither is there any evidence of use of the earlier trade marks.

5. *the relative inconvenience which would be caused if the mark were registered*

A decision to refuse registration will, to some extent, cause inconvenience to the applicants as the evidence makes it clear that there is an existing business at the date of application. However, the case for honest concurrent use has not been made out because of the paucity of the evidence filed. The evidence indicates that the applicants have traded under the trade mark for some five years but the scale of that trading has been relatively low. The similarity of the trade marks and the identical nature of the goods for which registration is sought is a significant factor that the evidence has failed to address. Consequently, I consider that it would be more of an inconvenience to the owners of the earlier trade marks to accept for registration such similar trade marks in other ownership.

Conclusion

36. The application is not registrable because it is debarred from registration by section 5(2) of the Act.

37. The evidence filed to substantiate the claim that the trade mark has acquired honest concurrent use is not considered sufficient to satisfy the Registrar that registration of the applicants' trade mark would be prudent.

38. In this decision I have considered all of the documents filed by the applicants and all of the arguments submitted to me in relation to this application and, for the reasons given above, it is refused under the terms of Section 37(4) of the Act.

Dated this 2nd day of December 2003

A J PIKE
For the Registrar
the Comptroller General

No annexe attached.

