

O/233/12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 2491728 IN THE NAME OF  
GORDON R LUCAS IN RESPECT OF THE TRADE MARK**

**STRATA-3**

**AND CONSOLIDATED APPLICATIONS FOR A DECLARATION OF  
INVALIDITY THERETO  
UNDER NOS. 83484 AND 83485 BY UNILEVER N.V. AND UNILEVER PLC  
RESPECTIVELY**

## BACKGROUND

1) Gordon R Lucas is the proprietor of the mark STRATA-3 (“the registration”). He applied for the registration on 2 July 2008 and the registration procedure was completed on 19 December 2008. The registration covers the following goods in Class 3 and 5:

### **Class 3**

*Soaps; cleaning preparations; perfumery; essential oils; aromatherapy products, not for medical use; massage preparations, not for medical use; deodorants and antiperspirants; hair care preparations; non-medicated toilet preparations; bath and shower preparations; skin care preparations; oils, creams and lotions for the skin; shaving preparations; pre-shave and aftershave preparations; depilatory preparations; sun-tanning and sun protection preparations; cosmetics; make-up and make-up removing preparations; petroleum jelly; lip care preparations; talcum powder; cotton wool, cotton sticks; cosmetic pads, tissues or wipes; pre-moistened or impregnated cleansing pads, tissues or wipes; beauty masks, facial packs.*

### **Class 5**

*Pharmaceutical preparations; disinfectants and antiseptics; deodorants and air-freshening preparations; sanitary products and preparations; dental wax; bandages, plasters, material for dressings; medicated soap; medicated skin and hair preparations; medicated preparations for the lips; preparations for the treatment and/or alleviation of sunburn; petroleum jelly for medical purposes; dietetic substances for medical use; herbal preparations for medical purposes; herbal supplements and herbal extracts; medicated herbal beverages; vitamins, minerals; nutritional supplements.*

2) On 20 May 2009, Unilever N.V. and Unilever Plc (together “Unilever”) separately applied for the registration to be declared invalid. There are two grounds of invalidation. Firstly, the mark should not have been registered because it offends under Section 3(6) of the Trade Marks Act 1994 (“the Act”) and should be invalidated under Section 47(2). It is contended that this is because Mr Lucas lacked a bona fide intention to use the mark and filed his application with improper motivation. Unilever claim that he knew of its interest in the mark due to Unilever’s approach to Mr Lucas for consent as he was the proprietor of the mark STRATA. Unilever was considering use of the mark STRATA-3. It is claimed that, following this approach, Mr Lucas registered his mark, without any intention to use it, as a tactic to thwart Unilever’s plans. Following a claim from Mr Lucas for a “six-figure sum”, Unilever went on to file an alternative mark, namely STRATYS-3.

3) Unilever also relies on a second ground of opposition, namely that the registration offends under Section 5(2)(b) of the Act because it is in respect of a similar mark and identical or similar goods as its earlier marks. Unilever N.V. and Unilever Plc both rely on a single, but different earlier mark. The relevant details of these two marks are:

Relevant details	Specification of goods
CTM* 6833057  STRATYS-3  Filing date: 15 April 2008  Registration date: 16 September 2010	<p><b>Class 3:</b> <i>Soaps; cleaning preparations; perfumery; essential oils; aromatherapy products, not for medical use; massage preparations, not for medical use; deodorants and antiperspirants; bath and shower preparations; skin care preparations; oils, creams and lotions for the skin; depilatory preparations; sun-tanning and sun protection preparations; cosmetics; make-up and make-up removing preparations; petroleum jelly; lip care preparations; talcum powder; cotton wool, cotton sticks; cosmetic pads, tissues or wipes; pre-moistened or impregnated cleansing pads, tissues or wipes; beauty masks, facial packs, medicated soap.</i></p> <p><b>Class 5:</b> <i>Disinfectants and antiseptics; deodorants and air-freshening preparations; sanitary products and preparations; bandages, plasters, material for dressings; medicated skin and hair preparations; medicated preparations for the lips; preparations for the treatment and/or alleviation of sunburn; petroleum jelly for medical purposes.</i></p>
2483293  STRATYS-3  Filing date: 26 March 2008  Registration date: 23 July 2010	<p><b>Class 3:</b> <i>Essential oils; aromatherapy products, not for medical use; massage preparations, not for medical use; skin care preparations; oils, creams and lotions for the skin; depilatory preparations; sun-tanning and sun protection preparations; cosmetics; make-up and make-up removing preparations; petroleum jelly; lip care preparations; talcum powder; cotton wool, cotton sticks; cosmetic pads, tissues or wipes; pre-moistened or impregnated cleansing pads, tissues or wipes; beauty masks, facial packs, medicated soap.</i></p> <p><b>Class 5:</b> <i>Medicated skin and hair preparations.</i></p>

\*Community Trade Mark

4) Mr Lucas subsequently filed counterstatements in each case denying Unilever's claims submitting that, once the requested consent was refused,

Unilever confirmed that it no longer had a continuing interest in the mark STRATA-3 and had withdrawn its application for the mark. He further contended that it is wholly reasonable that the proprietor of the mark STRATA may also wish to protect STRATA-3 to protect a “third” variant or line extension of the STRATA brand. He also pleaded that, in respect of the Section 5(2)(b) grounds, the earlier marks were not registered and could not, therefore be relied upon. Unilever’s marks subsequently became registered and, following an interlocutory hearing on the point, Mr Lucas was permitted to amend his counterstatement to include an acknowledgment that these two marks existed as earlier marks within the meaning of section 6 of the Act.

5) Both sets of proceedings were subsequently consolidated because the applicants are economically linked undertakings.

6) Both sides filed evidence in these proceedings and written submissions have supplied on behalf of Mr Lucas. Both sides ask for an award of costs. The matter came to be heard on 29 March 2012 when Unilever was represented by Ms Denise McFarland of Counsel, instructed by Murgitroyd & Company and Mr Lucas was represented by Ms Jessie Bowhill of Counsel, instructed by J A Kemp & Co.

### **Unilever’s evidence**

7) This takes the form of a witness statement by Katrina Burchell, Global Head of Trade Marks and Global and European Regional Category Counsel, skin of Unilever Plc. Ms Burchell explains that the outer layer of the skin is known as “stratum corneum” and that Unilever use STRATYS-3 as its proprietary name given to a combination of ingredients which deliver moisture to all three layers of the stratum corneum. The STRATYS-3 ingredient brand is used as part of Unilever’s *Vaseline Sheer Infusion* range of body lotions. An extract from the website [www.vaseline.co.uk](http://www.vaseline.co.uk) is provided at Exhibit KB1 showing the mark on packaging and providing an explanation of the qualities of the products.

8) As part of the normal clearance checks before introducing a new brand, Unilever became aware of Mr Lucas’ registration 2419255 STRATA (and device) when considering STRATA-3 as a name for the products that were ultimately branded as STRATYS-3. The reason STRATA-3 was not adopted was the existence of Mr Lucas’ earlier registration and Unilever’s failure to secure consent from Mr Lucas. At Exhibit KB2 are copies of correspondence pertaining to the issue of consent. These can be summarised as such:

- Unilever made an approach to Mr Lucas, in December 2007, with a view of concluding a co-existence agreement, noting that Mr Lucas’ mark was used in respect of industrial chemical products used by janitorial services;
- Following a number of exchanges of correspondence/emails, Mr Lucas requested a significantly larger sum than Unilever offered and as a

consequence, Unilever informed Mr Lucas, on 25 June 2008, that it had decided to consider alternative names and “as such [...] no longer have interest in STRATA-3”

9) Unilever subsequently filed Community and UK trade mark applications for STRATYS-3 and these are relied upon as its earlier rights in these proceedings.

10) At Exhibit KB4, Ms Burchell provides a copy of a 32 page catalogue of goods sold by Clena System, Mr Lucas’ company. Ms Burchell points out that “perfumery, essential oils, shaving preparations, depilatory preparations” do not appear and concludes that Mr Lucas has no real intention to use his STRATA-3 mark but rather, he filed it only because he knew of Unilever’s interest in it.

### **Mr Lucas’ evidence**

11) This takes the form of a witness statement by Mr Lucas. He provides a history of his company stating that it was established in 1983 when it began selling cleaning products. The company now provides cleaning and personal care supplies to wholesalers and direct to business customers in London and the home counties. He formulated a brand for these goods and the mark is represented by registration 2419255 STRATA and device.

12) Mr Lucas confirms the negotiations referred to by Ms Burchell adding that it was his view that Unilever was not offering an appropriate sum of money for either, a co-existence agreement, or the acquisition of his business, in order to compensate him for his investment and loss of future yield.

13) During these negotiations Unilever applied to register the mark STRATA-3 and subsequently withdrew it. Mr Lucas states that following this withdrawal, combined with Unilever’s written comment to him, he concluded that it no longer retained an interest in the mark and he decided to use it in relation to a range of re-branded personal care goods. This led to his filing of the contested mark.

14) Unilever subsequently filed its applications for STRATYS-3, the earlier marks relied upon in these proceedings, and Mr Lucas unsuccessfully opposed these based upon his STRATA (and device) mark. Mr Lucas also states that Unilever has successfully opposed his Community Trade Mark (CTM) for STRATA-3, but that the decision is under appeal.

15) Mr Lucas explains that plans for the commercialisation of STRATA-3 have been heavily delayed by the multiple proceedings between the parties, but that he is in the process of developing marketing material for new STRATA-3 hand care and body care products.

16) Mr Lucas refers to his brochure, exhibited by Ms Burchell at her Exhibit KB4, and points out that the brochure also contained personal care products. The

relevant pages are provided at Exhibit GRL7 and illustrate Mr Lucas' company advertising liquid, tablet and foam soaps. It is these products that Mr Lucas intends to re-brand as STRATA-3.

## **DECISION**

### **The legislation**

17) The case has proceeded to final determination on the basis of Section 3(6) and Section 5(2)(b) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47 of the Act. The relevant parts of Section 47 of the Act read as follows:

“**47.** - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground-

(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) ...

(2A)\* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if -

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.”

18) Section 3(6) reads:

3. - (1) The following shall not be registered -

...

(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

19) Section 5(2)(b) reads:

“(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.”

20) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) 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.”

21) Unilever relies upon two earlier marks that are both registered and therefore qualify as earlier marks as defined by Section 6 of the Act. These earlier marks completed their registration procedure on 16 September 2010 and 23 July 2010 respectively. Both these dates are within five years of the date of the application for the declaration (20 May 2009 - the relevant date) and as such, are not subject to the proof of use provisions.

22) I concur with Ms McFarland’s assessment that Unilever’s strongest case resides in its grounds based upon Section 5(2)(b) of the Act and I will, therefore, begin by considering this ground of opposition.

23) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. 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*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, 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.*,

(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*,

(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*,

(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*,

(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*,

(g) in determining whether similarity between the goods or services covered by two marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) 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*,

(i) 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 and Adidas Benelux BV*,

(j) 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*.

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *LIMONCELLO*

### ***Comparison of goods***

24) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods

should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘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.’

25) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

26) I am also mindful of the guidance of the General Court (“the GC”) in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)(OHIM) (“Meric”)* Case T-133/05, where, at para 29, it is stated:

“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 the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

27) At the hearing, it was conceded by Ms Bowhill that the respective goods are identical or similar. Nevertheless, I will consider the terms listed to identify those that are identical and those that are similar and what is the level of similarity.

#### Mr Lucas’ Class 3 goods

28) The following terms present in Mr Lucas’ Class 3 specification are also present in at least one of Unilever’s two earlier marks. The respective services are, therefore self-evidently identical:

*Soaps; cleaning preparations; perfumery; essential oils; aromatherapy products, not for medical use; massage preparations, not for medical use; deodorants and antiperspirants; [...] bath and shower preparations; skin care preparations; oils, creams and lotions for the skin; [...] depilatory preparations; sun-tanning and sun protection preparations; cosmetics; make-up and make-up removing preparations; petroleum jelly; lip care*

*preparations; talcum powder; cotton wool, cotton sticks; cosmetic pads, tissues or wipes; pre-moistened or impregnated cleansing pads, tissues or wipes; beauty masks, facial packs.*

29) In respect to Mr Lucas' *hair care preparations* these could consist of essential oils used to condition the hair and, as such, these goods overlap with Unilever's *essential oils*. Even if I am wrong, there is a high level of similarity with these goods and with Unilever's *bath and shower gels* because all these goods can be collectively described as toiletry preparations that are all sold in close proximity to each other on shelves in chemists and supermarkets. In respect to shower gels, at least, these are applied to the hair as well as the body and are designed to have multiple purposes, one of which is cleansing the hair. Consequently, their nature and intended purpose are highly similar or even identical. *Shower gels*, in particular, may also be in competition with *hair care preparations* that have cleansing as their primary purpose.

30) Regarding Mr Lucas' *non-medicated toilet preparations*, these may include, at least, *bath and shower gels* and *essential oils* that are featured in Unilever's specifications. Applying the guidance of the GC in *Meric*, it is clear that these respective goods are identical.

31) Mr Lucas' *shaving preparations; pre-shave and aftershave preparations* are preparations applied to the skin either before or after shaving, to prepare it and the hair which is to be shaved in order to make the shaving process more comfortable. Essential oils can be used for this purpose. Further, *aftershave preparations*, in particular, have a dual purpose of soothing the skin and applying a desirable scent to the skin. Taking all of this into account and applying the guidance from *Meric*, I find that these goods are identical to Unilever's *essential oils, perfumery, skin care preparations, oils, creams and lotions for the skin*.

#### Mr Lucas' Class 5 goods

32) The following terms present in Mr Lucas' Class 5 specification are also present in at least one of Unilever's two earlier marks. The respective services are, therefore, self-evidently identical:

*[...] disinfectants and antiseptics; deodorants and air-freshening preparations; sanitary products and preparations; [...] bandages, plasters, material for dressings; medicated soap; medicated skin and hair preparations; medicated preparations for the lips; preparations for the treatment and/or alleviation of sunburn; petroleum jelly for medical purposes; [...]*

33) Applying the guidance from *Meric*, it is clear to me that Mr Lucas' *Pharmaceutical preparations* are identical to Unilever's *medicated skin and hair preparations; medicated preparations for the lips; preparations for the treatment*

*and/or alleviation of sunburn* because they can all be included in the broader term in Mr Lucas' specification.

34) In respect to Mr Lucas' *dietetic substances for medical use;[...] herbal supplements [...]; medicated herbal beverages; vitamins, minerals; nutritional supplements* do not appear to be similar to any great degree when compared to Unilever's goods. Unlike Unilever's goods, these are taken orally and therefore differ in their nature. Some may be intended to treat or compliment treatments for ailments and as such may have some commonality with regard to intended purpose when compared to Unilever's *medicated skin and hair preparations*, for example. As a result of this possible shared purpose, the users are likely to be the same. However, it is not normal for these respective goods to be located on the same shelves in a chemist or supermarket. Taking all of this into account, I find that these goods share a moderate level of similarity.

35) Mr Lucas' *herbal preparations for medical purposes* and *herbal extracts* may not necessarily be administered orally and, consequently, and unlike the goods discussed in the above paragraph, may also share the same methods of use as with Unilever's *medicated skin and hair preparations*. It follows that the level of similarity is likely to be higher than in respect of the goods discussed above and I find that they share a high level of similarity.

36) Regarding Mr Lucas' *dental wax*, this appears to refer to goods used by dentists or others in the profession for making impressions of people's teeth etc. Consequently, such goods will have different nature and intended purpose, method of use to any of Unilever's goods. Further, they are not complementary or in competition with each other and do not share trade channels. Therefore, I find there is no similarity between these and Unilever's goods.

### ***The average consumer***

37) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods at issue. I have found that, with the exception of *dental wax*, Mr Lucas' goods are either identical or share varying degrees of similarity. In respect to all these goods, the average consumer may be the same. Such consumers may range from the general public requiring personal care preparations and treatments to more specialist and knowledgeable consumers in, for example, the field of medicine who may be the average consumer for goods such as *medicated skin and hair preparations* and *bandages, plasters, materials for dressing*. It follows that the level of care and attention paid during the purchasing act will vary accordingly, with professionals in the medical field paying a closer degree of attention than the consumer of, for example, a shower gel. Such purchases of everyday toiletry preparations generally involve a relatively low level of attention but, as Ms Bowhill submitted at the hearing, more so than in respect of some low value consumer items.

### **Comparison of marks**

38) For ease of reference, the respective marks are:

<b>Unilever's mark</b>	<b>Mr Lucas' marks</b>
STRATYS-3	STRATA-3

39) When assessing the extent of similarity between the respective marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23).

40) The marks are of a similar construction and, consequently, it is possible for me to consider the issue of dominant and distinctive components of both marks as a single issue. In both marks there is a word forming the majority of the marks when considered as a whole. These words are both followed by a dash and the number "3". Numbers generally have a lesser impact upon the perception of the consumer and, additionally in the case of these two marks, the number appears at the end of the mark, further reducing its impact. Taking all of this into account, it is clear to me that the dominant and distinctive element of the marks is the word STRATYS and the word STRATA, respectively, as submitted by Ms Bowhill at the hearing. That said, the numeral "3" is not negligible in either mark and consequently, I must factor its presence in the marks into my considerations.

41) From a visual perspective, both marks begin with words that share the same first five letters STRAT and both marks end with a dash and the numeral "3". They differ in that Unilever's mark is longer, having seven letters in its word element, the last two being "YS". The word element of Mr Lucas' mark is six letters with the last letter being an "A". Taking these similarities and differences into account, I find that the respective marks share a high level of visual similarity.

42) Ms Bowhill argued that, from an aural perspective, the difference at the end of the respective word elements results in a different pronunciation. It is argued that "the terminal "A" in Mr Lucas' mark results in the first part of the word being elongated" so that the mark is pronounced STRAH-TEH or STRAH-TA. On the other hand, Mr Bowhill submits that Unilever's mark will be pronounced STRATT-IS or STRATT-IZZ. Ms McFarland submitted that Ms Bowhill's approach artificially emphasised elements of the marks. Whilst I accept Ms Bowhill's submission that there are two different pronunciations of the first syllable of both marks, I do not agree that such pronunciations will be so neatly divided between the two marks. Mr Lucas' mark may be pronounced as a short STRAT-A or as a longer STRAAHT-A. Similarly, Unilever's mark may be pronounced STRAT-ISS or STRAAHT-ISS. Either way, the alternative pronunciations are equally likely for each mark and, consequently, are not likely to impact upon the aural similarity. Nevertheless, I recognise the difference in the respective second syllables but

also the identical third syllable in both marks, namely the numeral “3”. Taking account of these similarities and the difference in the second syllable, I conclude that the respective marks share a high level of aural similarity.

43) Ms Bowhill submitted that there exists a conceptual dissonance between the marks because the word STRATA has a well understood meaning, whereas, the word STRATYS is an invented word. Ms McFarland argued that there was conceptual similarity because both words come from the same Latin route “strata”. Whilst I note Ms McFarland’s submission, it is my view that the average consumer will not attach any meaning to STRATYS but will understand the word STRATA to be the pleural of “stratum”, being an ordinary dictionary word meaning “a thin layer within any structure”<sup>1</sup>. The addition of the numeral “3” may have some vague conceptual hook, such as referring to three layers or “strata” in Mr Lucas’ mark. The meaning of the number in Unilever’s mark is even less clear. Taking all of this into account, I find that if there is any conceptual similarity, it is on the very low side.

44) I have found that the respective marks share a high level of visual and aural similarity and, if they have any conceptual similarity, it is on the very low side. These combine to give a high level of similarity overall.

#### ***Distinctive character of the earlier trade mark***

45) I must consider the distinctive character of the earlier mark because the more distinctive it is, either by inherent nature or by use the greater the likelihood of confusion (*Sabel BV v Puma AG* [1998] RPC 199). The distinctive character of the earlier trade mark must be assessed by reference to the goods for which it is registered and by reference to the way it is perceived by the relevant public (*Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91).

46) There is no evidence of an enhanced distinctive character, therefore, I need only consider the inherent qualities of Unilever’s earlier mark. I have already found that the word STRATYS is an invented word. Consequently, even where this is combined with the numeral “3” (an element of inherently low distinctive character), the mark, when considered as a whole, is endowed with a high level of distinctive character.

#### ***Likelihood of confusion***

47) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead

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<sup>1</sup> “stratum”. Oxford Dictionaries. April 2010. Oxford Dictionaries. April 2010. Oxford University Press. 29 May 2012 <<http://oxforddictionaries.com/definition/stratum>>.

on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

48) I have found that if there is any conceptual similarity between the marks then it is only low. Ms McFarland submits that this is not sufficient to outweigh the other similarities. In considering this point, I am mindful of the comments of the GC in its judgment T-147/03, *Devinlec Développement Innovation Leclerc SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, and in particular, paragraph 98, where it stated:

“98 It is true that, according to case-law, a conceptual difference between the marks at issue *may* [my emphasis] be such as to counteract to a large extent the visual and aural similarities between those signs [Case T-292/01, *Phillips-Van Heusen Corp. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (BASS)*, para 54]. ....”

49) This appears to envisage that conceptual dissimilarity MAY counteract visual and aural similarities, but does not lay down a principle where this must also apply. Of course, in the current case, it is not so much a question of the respective marks having different concepts, but rather, it is a case of one having a conceptual hook and the other not having a meaning. To my mind, this reduces the impact of the dissimilarity compared to cases where the respective marks are endowed with contrasting conceptual identities.

50) I am also mindful of two further relevant cases. The first of these is Case C-206/04, *P Mühlhens GmbH & Co. KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, where the CJEU commented:

“21 It is conceivable that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.”

51) The second is Case T-488/07, *Cabel Hall Citrus Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, where the GC commented:

“52 In that connection, it should be noted that although, in general, it cannot be ruled out that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94, the existence of such a likelihood must be established as part of a global assessment as regards the visual, conceptual and phonetic

similarities between the signs at issue. Thus, the assessment of any phonetic similarity is but one of the relevant factors for the purpose of that global assessment. Therefore, it cannot be accepted that there is a likelihood of confusion each time that a certain phonetic similarity can be established between the marks at issue (Case C-206/04 P *Mülhens v OHIM* [2006] ECR I-2717, paragraphs 21 and 22).”

52) In considering the guidance in these judgments, it is clear to me that whilst conceptual similarity (or otherwise) is an important factor that may, in some circumstances, be the deciding issue, I must also consider all other factors including a visual and aural comparison of the marks as part of the global approach as advocated by the established case law.

53) The established case law, referred to earlier, requires that the global assessment of the likelihood of confusion is based on the overall impression given by the marks, bearing in mind the distinctive and dominant components of each mark. I have found that the respective marks share a high level of similarity. I also found that the earlier mark enjoys a high degree of distinctive character. Further, I have found that the majority of the respective goods are identical, highly similar or moderately similar and that the purchasing act will involve a varying degree of care and attention.

54) The point at issue can therefore be reduced down to assessing if the lack of conceptual similarity is sufficient, or not, to overcome the obvious visual and aural similarities. My view is that it does not. The visual and aural similarities are such as to outweigh the lack of conceptual similarity. In reaching this conclusion, I bear in mind that imperfect recollection is a factor. Therefore, the average consumer will confuse the marks or at least assume that the goods provided under the respective marks originate from the same or linked undertaking. The one exception is in respect to *dental wax* in the Class 5 specification of Mr Lucas’ mark. Here, I have found that *dental wax* is not similar to any of Unilver’s goods and, accordingly, there can be no likelihood of confusion (*Waterford Wedgwood plc v OHIM*, C-398/07 P).

55) Finally, at the hearing, Ms McFarland drew my attention to two decisions of the OHIM’s Second Board of Appeal that had very recently been published. These were in respect of OHIM opposition numbers B1526170 and B1526220. I have considered these decisions, but I confirm that my decision in this case has been based upon the evidence and submissions before me and I have made my decision independently of these other proceedings.

### **Section 3(6)**

56) In light of the findings above, it is not necessary for me to consider the grounds based upon Section 3(6) of the Act, except where it may extend the opponent’s success to also cover *dental wax*. However, I will comment briefly.



57) It is clear from the well established guidance (*Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367, *Harrison v. Teton Valley Trading Co* [2005] FSR 10, *Twinsectra v Yardley* [2002] 2 AC 164 and *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37) that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Further, it is not necessary for me to reach a view on the applicant's state of mind regarding the transaction if I am satisfied that their action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct. Thus, in considering the actions of Mr Lucas, the test is a combination of the subjective and objective. It is clear that bad faith in addition to dishonesty, may include business dealings which fall short of the standards of acceptable commercial behaviour i.e. unacceptable or reckless behaviour in a particular business context and on a particular set of facts.

58) It is not clear to me that Mr Lucas' actions fell short of such standards. There is evidence before me that Mr Lucas was informed in writing by Unilever that, following a failure to agree terms with him, it no longer retained an interest in the mark STRATA-3. Consequently, there appears to be sufficient reason for Mr Lucas to believe he was free to register the mark himself. As such, I conclude that a case of bad faith has not been made out.

## **Summary**

59) The consolidated applications for invalidation are successful in respect of all the goods listed in Mr Lucas's registration, except for *dental wax*. The registration is retained for these goods.

## **COSTS**

60) The application for invalidation having been largely successful, Unilever is entitled to a contribution towards its costs.

61) At the hearing, an issue was also raised regarding the costs associated with an interlocutory hearing held on 24 March 2011. The Hearing Officer at that hearing stated that any costs award should be carried over to form part of my assessment at the substantive hearing. This interlocutory hearing related to a request, by Unilever, for summary judgement following Mr Lucas' failure in opposition actions against the two earlier marks relied upon by Unilever and to Mr Lucas' request to amend his counterstatement to acknowledge that, consequent to their registration, Unilever's earlier marks qualified as "earlier marks" under Section 6 of the Act. The Hearing Officer refused the application for summary judgment and allowed Mr Lucas' amendment to his counterstatement.

62) Ms McFarland submitted that I should make no award to Mr Lucas for this event because it was common for costs to follow the event. Ms Bowhill argued that such an interpretation of “following the event” would appear to unjustly penalise the successful party at interlocutory hearing if that party then was unsuccessful on substantive point. I agree with Ms Bowhill. The “event” in question is the interlocutory hearing and I find it appropriate to award Mr Lucas a contribution towards his costs related to that hearing. The award of costs in favour of Unilever will therefore be reduced by £200 to reflect this.

63) In considering the award of costs, I also take account that both parties filed evidence and written submissions were provided in support of Mr Lucas’ case and that a hearing has taken place. I award costs on the following basis:

Preparing applications and statements and considering statement in reply (including the official fees)	£800
Preparing evidence and considering other sides evidence	£600
Preparing and attending hearing	£800
<b>SUB TOTAL</b>	<b>£2200</b>
Reduction for Interlocutory Hearing	£200
<b>TOTAL</b>	<b>£2000</b>

64) I order Gordon R Lucas to pay Unilever N.V. & Unilever Plc the sum of £2000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 13<sup>th</sup> day of June 2012**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**