

O-506-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2610626
BY ANUJ SAWHNEY
TO REGISTER THE TRADE MARK:**



IN CLASSES 25 & 35

AND:

**OPPOSITION THERETO UNDER NO. 103650
BY KARMALoop INC**

BACKGROUND

1. On 16 February 2012, Mr Anuj Sawhney applied to register the mark shown on the cover page of this decision. The application was accepted and published for opposition purposes on 4 May 2012 for the following goods and services:

Class 25 - Articles of clothing; articles of outer clothing; articles of ladies' and girls' clothing; articles of underclothing; underwear; lingerie; swimwear; sportswear; wrist bands; beach wear; leisurewear; belts; sleepwear; dressing gowns; bathrobes; ties; cravats; headgear; hats, caps, hoods; scarves; ear muffs; headbands; footwear; socks; shoes, sandals, boots, slippers; shawls, wraps, pashminas; parts, fittings and accessories for all the aforesaid.

Class 35 - Retail services connected with the sale of articles of clothing, articles of ladies' and girls' clothing, articles of outer clothing, articles of underclothing, underwear, lingerie, swimwear, sportswear, wrist bands, beach wear, leisurewear, belts, sleepwear, dressing gowns, bathrobes, ties, cravats, headgear, hats, caps, hoods, scarves, ear muffs, headbands, footwear, socks, shoes, sandals, boots, slippers, shawls, wraps, pashminas, parts, fittings and accessories for all the aforesaid, and parts, fittings and accessories for all the aforesaid, information, advisory and consultancy services relating to the foregoing.

2. The application is opposed by Karmaloop Inc ("the opponent"). The opposition, which is directed against all of the goods and services in the application, is based upon grounds under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act"). For its opposition under both grounds, the opponent relies upon all of the services in:

International registration no. 961601 for the mark: **KARMALOOP** which designated the EU on 4 January 2008 (claiming an international priority date of 31 July 2007 from the USA) and for which protection in the EU was granted on 21 April 2009. The mark is registered for the following services in class 35:

On-line retail store services featuring apparel, footwear, watches, wallets, hats, messenger bags, handbags, tote bags, backpacks, bandanas, underwear, belts, printed matter, toys, flash memory devices, jewelry, sunglasses, and accessories; retail store services featuring apparel, footwear, watches, wallets, hats, messenger bags, handbags, tote bags, backpacks, bandanas, underwear, belts, printed matter, toys, flash memory devices, jewelry, sunglasses, and accessories.

In relation to its objection based upon section 5(2)(b) of the Act, in its notice of opposition, the opponent states:

"The dominant first part of [the opponent's mark] is the word KARMA which is identical with the distinctive part of the mark applied for KARMA CLOTHING. The

word CLOTHING within the mark applied for is entirely descriptive of the goods for which registration is sought in class 25 and the retail services applied for in class 35. The device element is not relevant since the opponent's earlier mark is a word mark which covers all forms of use of the word. It is established case law that the first part of a mark is the part to which the average consumer pays more attention and the first parts of both the mark applied for and the opponent's earlier mark are the identical word KARMA.

The opponent's earlier mark covers retail services in relation to the clothing and fashion industries in class 35 which are identical with the services applied for in the subject application. These services are confusingly similar to the goods for which registration is sought in the application in class 25."

In relation to its objection based upon section 5(3) of the Act, the opponent states:

In relation to unfair advantage:

"The applicant will benefit from the opponent's investment in advertising and promotion of its brand, leading to advantage to the applicant without the applicant having made any investment."

In relation to detriment to the reputation of the earlier mark:

"The applicant's use of the mark will be out of the control of the opponent. Any poor quality goods sold under the mark by the applicant will reflect upon the opponent's business, leading to damage to the reputation and business of the opponent."

In relation to detriment to the distinctive character of the earlier mark:

"The distinctive character of the opponent's mark will be diminished because the opponent's mark will no longer signify origin. Further, the relevant public will purchase goods from the applicant believing them to originate from the opponent, and will purchase services from the applicant in place of those of the opponent. There will be diversion of trade. If the quality of goods or the provision of services are unsatisfactory, the public may then cease purchasing the opponent's services."

3. Mr Sawhney filed a counterstatement in which the grounds of opposition are denied.

4. Both parties filed evidence. Although neither party asked to be heard, both parties filed written submissions in lieu of attendance at a hearing; I will bear these submissions in mind and refer to them as necessary below.

The Opponent's evidence

5. This consists of a witness statement from Christopher Mastrangelo, the opponent's Chief Operating Officer and General Counsel. Mr Mastrangelo states that the opponent: "specialises in online retail and is the world's largest online retailer of streetwear." He explains that the opponent has no: "brick and mortar stores", adding that the opponent's website www.karmaloop.com offers goods for sale throughout the world including the UK. Goods were, he states, first made available to consumers in the UK on the website in November 1999. Exhibit CM2 consists of screen shots of the opponent's website which bear the handwritten dates 2010, 2011 and 2012; the pages contain images of items of clothing, footwear, sunglasses, watches and bags. Whilst the first page contains a reference to web.archive.org, the second and third pages contain no such references; all of the pages refers to amounts in \$. The word KARMALOOOP (including in the form in which it stands registered) can be seen on all three pages.

6. In the periods 4 May 2010 to 4 May 2011 and 5 May 2011 to 4 May 2012, the opponent's website received 1,173, 411 and 1,596, 805 hits respectively from the UK, and in the period 25 November 2012 to 1 December 2012, the website received 41,716 hits from the UK generating revenue of US\$65,582. In the period 2008 to 1 December 2012, sales in the European Union amounted to US\$23.4m, of which, US\$6.5m represented sales in the UK. I must, of course, keep in mind that the material date in these proceedings is the date of the application i.e. 16 February 2012.

7. Exhibit CM3 consists of redacted "sample invoices" dated from 2008 to 2012. The invoices indicate that sales have been made to addresses in the UK (Middlesex, Cardiff, Leicester, Milton Keynes, London, Birmingham, Brighton and Glasgow). The invoices relate to the sale of clothing (including footwear and headgear), watches, brooches, sunglasses and bags. All of the invoices are in \$ and contain a reference to "Karmaloop Returns".

8. Mr Mastrangelo states that a wide variety of goods are available from the opponent's website (including items of clothing, footwear and headgear) with exhibit CM4 consisting of: "screen shots of the current version of the [opponent's] website." The pages, which were downloaded from the website mentioned above on 24 December 2012 (i.e. after the material date in these proceedings), contain a number of references to KARMALOOOP (including in the form in which its stands registered) as well as images of a number of items of clothing, footwear, headgear, a bag and what appears to be a key ring.

Mr Sawhney's evidence

9. This consists of a witness statement from Robert Hawley, a trade mark attorney at Mathys & Squire LLP, Mr Sawhney's professional representatives. Mr Hawley's statement contains the following:

“The information contained in this witness statement...comes from my personal knowledge or has been provided to me by the applicant...”

10. A good deal of Mr Hawley’s witness statement consists of submissions rather than evidence. Although it is neither necessary nor appropriate for me to summarise these submissions here, I will, of course, keep them in mind when reaching a conclusion. Mr Hawley states:

“12. Furthermore, it is in any event also evident that no single entity can claim exclusive rights in the term “Karma” and variants thereof, with a number of third party owned registrations existing in class 25 on the UK and Community trade marks register...”

11. Exhibit RJH-01 consists of a number of CTMs and a UK mark which consist of or contain the word KARMA and which are registered in, inter alia, class 25. In *British Sugar Plc v. James Robertson & Sons Ltd* [1996] RPC 281, Jacob J stated:

“...In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. MADAME Trade Mark and the same must be true under the 1994 Act. I disregard the state of the register evidence.”

12. In *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04 the General Court (GC) stated:

“68. As regards the search of the Cedelex database, the mere fact that a number of trade marks relating to Class 35 contain the word ‘bus’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned. Firstly, the search in question does not provide any information on the trade marks actually used in relation to the services concerned. Secondly, it includes a number of trade marks in which the word ‘bus’ is used descriptively by public transport businesses.”

13. This was a view re-iterated by the GC in *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-400/06.) Whilst I am aware of the judgment of Mr Daniel Alexander QC, sitting as a deputy judge of the High Court in *Digipos Store Solutions Group Ltd v Digi International Inc* [2008] RPC 24, in that case Mr Alexander was not referred to the judgment of the GC in *GfK AG*. I also note that in his judgment Mr Alexander referred to the *Madame* case being an absolute grounds case and appeared to consider this of some significance. The GC cases referred to above are relative grounds cases; clearly the GC considered that the principle of not giving weight to state-of-the-register evidence also applies in cases

involving relative grounds issues. No evidence has been provided to demonstrate that any of the marks revealed in Mr Hawley's searches are actually in use in the market place. In the absence of such evidence, his investigations do no more than (as Jacob J put it *British Sugar*):

"...confirm that this is the sort of word in which traders would like a monopoly."

14. Mr Hawley states that Mr Sawhney first used the mark KARMA CLOTHING (word only) in the UK on 20 October 2011 and that the mark the subject of the application was first used in the UK on 4 February 2012 i.e. 12 days before the application was filed. Exhibit RJH-02 consists of pages downloaded on 15 May 2013 from Mr Sawhney's website www.karmaclothing.co.uk. A mark similar to the mark the subject of the application can be seen on the majority of the pages. The website offers for sale a range of clothing for women as well as a number of jewellery items. Mr Hawley states that Mr Sawhney has spent £22k advertising and promoting: "his KARMA CLOTHING" brand in the UK. Although Mr Hawley goes on to provide milestones in the development of Mr Sawhney's business, as these are all after the material date in these proceedings (the earliest is May 2012) there is no need for me to record them here.

Opponent's evidence-in-reply

15. This consists of a witness statement from Claire Turnbull, a trade mark attorney at Brookes Batchellor LLP, the opponent's professional representatives. In her statement Ms Turnbull states:

"2...The applicant has suggested that Karmaloop did not adduce any evidence of its reputation in the witness statement of [Mr Mastrangelo]. This evidence in reply demonstrates the extent of Karmaloop's business activities and consequent reputation in the European Union.

3. Karmaloop has a significant online presence and is known in the European Union for the sale of streetwear..."

16. Attached to Ms Turnbull's statement are 12 exhibits (CVT2 to CVT13) which she states demonstrates: "the reputation for the sale of streetwear enjoyed by Karmaloop." Of these exhibits, CVT 2, 3, 4, 6, 7, 9, 11 and 12 all appear to originate from jurisdictions other than the UK (i.e. Sweden, the Netherlands and France). In addition, a number of the exhibits appear to be from after the material date; none of these exhibits assist the opponent.

17. Exhibits CVT 5, 8, 10 and 13 appear to come from the UK. Exhibit CVT5 is dated 8 February 2012 (i.e. 8 days prior to the filing of the application) and comes from bntl.co.uk. It relates to "Karmaloop TV", which exhibit CVT 11 explains, is an "internet television station". CVT8 also comes from bntl.co.uk. It too relates to Karmaloop TV and is dated 10 February 2013 (i.e. after the material date). Exhibit CVT10 comes from i-likeitalot.com. It relates to "KARMALOOOP SPRING/SUMMER 2013 LOOKBOOK..." and

refers to “lifestyle and culture blog for London and beyond”; it too is from after the material date. Finally, exhibit CVT13 comes from instagrime.co.uk and relates to “KENDRICK LAMAR ON KARMALOO TV”; the article appears to be from April 2013 i.e. again after the material date.

18. That concludes my summary of the evidence filed to the extent I consider it necessary.

DECISION

19. Sections 5(2)(b) and 5(3) of the Act read as follows:

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

(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, or

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.

(3) A trade mark which –

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

(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.”

21. In these proceedings, the opponent is relying upon the mark shown in paragraph 2 above, which constitutes an earlier trade mark under the above provisions. Given the interplay between the date on which the application was published and the date on which the opponent's mark was granted protection in the EU, it is not subject to proof of use as per section 6A of the Act.

The opposition based upon section 5(2)(b)

Section 5(2)(b) – case law

22. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* -BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the Court of Justice of the European Union (CJEU) cases mentioned) on the basis indicated below:

The CJEU cases

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] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

The principles

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other

components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing process

23. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services and then to determine the manner in which these goods and services will be selected by the average consumer in the course of trade. In his submissions filed during the evidential rounds and in those filed in lieu of attendance at a hearing, Mr Sawhney comments upon the nature of the average consumer. The following gives a flavour of his position:

“6...the average consumer of the applicant's products and services are fashion conscious young adults, who, in addition to being reasonably well informed and reasonably observant and circumspect, will have a very good knowledge of fashion brands and be extremely discerning with regard to the same;

such average consumers are therefore more adept than their counterparts in many other sectors at recognising and distinguishing between rival trade marks.”

In its submissions filed in lieu of attendance at a hearing, the opponent states:

“12. The applicant asserts that its target market is fashion conscious young adults, however the applicant has adduced no evidence to support its submission that average consumers in such a market are more adept than their counterparts in many other sectors at appreciating trade marks in their entirety. In any case, the specification of goods and services applied for is not restricted to a particular market and as such, the average consumer must be considered to be the general public at large.”

24. The opponent’s position is, of course, correct. As neither parties’ specifications are limited in any way, the average consumer for articles of clothing, footwear and headgear and the related retail services is the public at large. In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the General Court (GC) stated:

“50. The applicant has not mentioned any particular conditions under which the goods are marketed. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

25. As the goods in class 25 are, in my experience, most likely to be the subject of self selection from traditional retail outlets on the high street, catalogues and websites, I agree that visual considerations are likely to dominate the selection process, but not to the extent that aural considerations can be ignored. As the selection of a retailer of inter alia, clothing, will (whether on the high street or on-line), most likely be selected by the eye, visual considerations will once again dominate the selection of the services in class 35. The cost of the goods in class 25 can vary considerably. In *New Look* the GC also considered the level of attention taken purchasing goods in the clothing sector. It stated:

“43 It should be noted in this regard that the average consumer’s level of attention may vary according to the category of goods or services in question (see, by analogy, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds that it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an

approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

26. When selecting articles of clothing, factors such as material, size, colour, cost and compatibility with other items of clothing etc. may all come into play. This suggests that the average consumer will pay a reasonable level of attention when making their selection, a level of attention which is likely to increase as the cost and importance of the item of clothing increases. As to the level of attention paid to the selection of a retailer of, inter alia, clothing, my own experience tells me that factors such as price, range and availability of goods stocked, refund and replacement policy and (particularly in relation to online retail services) shipping costs and ease of use of the website will all be factors the average consumer will have in mind; once again a reasonable level of attention is likely to be paid to the selection of such services.

Comparison of goods and services

27. The goods and services to be compared are as follows:

The opponent’s services	Mr Sawhney’s goods and services
<p>Class 35 - On-line retail store services featuring apparel, footwear, watches, wallets, hats, messenger bags, handbags, tote bags, backpacks, bandanas, underwear, belts, printed matter, toys, flash memory devices, jewelry, sunglasses, and accessories; retail store services featuring apparel, footwear, watches, wallets, hats, messenger bags, handbags, tote bags, backpacks, bandanas, underwear, belts, printed matter, toys, flash memory devices, jewelry, sunglasses, and accessories.</p>	<p>Class 25 - Articles of clothing; articles of outer clothing; articles of ladies' and girls' clothing; articles of underclothing; underwear; lingerie; swimwear; sportswear; wrist bands; beach wear; leisurewear; belts; sleepwear; dressing gowns; bathrobes; ties; cravats; headgear; hats, caps, hoods; scarves; ear muffs; headbands; footwear; socks; shoes, sandals, boots, slippers; shawls, wraps, pashminas; parts, fittings and accessories for all the aforesaid.</p> <p>Class 35 - Retail services connected with the sale of articles of clothing, articles of ladies' and girls' clothing, articles of outer clothing, articles of underclothing, underwear, lingerie, swimwear, sportswear, wrist bands, beach wear, leisurewear, belts, sleepwear, dressing gowns, bathrobes, ties, cravats, headgear, hats, caps, hoods, scarves, ear muffs, headbands, footwear, socks, shoes, sandals, boots, slippers, shawls, wraps, pashminas, parts, fittings and accessories for all the aforesaid, and parts, fittings and accessories for all the aforesaid, information, advisory and consultancy services relating to the foregoing.</p>

In his statement, Mr Hawley states:

“4...To which end, it is admitted by the applicant that there is identity (in class 35) and similarity (in class 25) in relation to “apparel; footwear; hats; bandanas; underwear; belts.” It is not admitted, however, that there is identity or similarity in respect of any of the other parties’ goods and services.”

Class 35

28. Mr Sawhney seeks registration in respect of retail services relating to a range of clothing, footwear, headgear, parts and accessories for these goods and related consultancy services. As the opponent’s earlier mark is registered for, inter alia, “On-line retail store services featuring apparel, footwear...hats, bandanas, underwear, belts...and accessories” and “retail store services featuring apparel, footwear...hats, bandanas, underwear, belts...accessories”, I agree with Mr Hawley that the competing services are identical.

Class 25


29. Insofar as Mr Sawhney’s clothing, footwear and headgear in this class is concerned, I note the comments of the Court of First Instance (now the General Court) in *Oakley, Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-116/06. In that case the conflict was between an earlier mark which was registered for goods in classes 18 and 25 and a later mark which had been registered for “Retail and wholesale services, including on-line retail store services; retail and wholesale of eyewear, sunglasses, optical goods and accessories, clothing, headwear, footwear, watches, timepieces, jewellery, decals, posters, athletic bags, backpacks and knapsacks and wallets”. The GC upheld OHIM’s decision that the goods in classes 18 and 25 were similar to “retail and wholesale of eyewear, sunglasses, optical goods and accessories, clothing, headwear, footwear, watches, timepieces, jewellery, decals, posters, athletic bags, backpacks and knapsacks, and wallets” as there was a complementary relationship between the retail of the goods and the goods themselves. The Court stated:

“54 Clearly, in the present case, the relationship between the retail services and the goods covered by the earlier trade mark is close in the sense that the goods are indispensable to or at the very least, important for the provision of those services, which are specifically provided when those goods are sold. As the Court held in paragraph 34 of *Praktiker Bau-und Heimwerkermärkte*, paragraph 17 above, the objective of retail trade is the sale of goods to consumers, the Court having also pointed out that that trade includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction. Such services, which are provided with the aim of selling certain specific goods, would make no sense without the goods.”

30. Applying the principles outlined above, I find there is a complementary relationship between Mr Sawhney's goods in this class and the opponent's "On-line retail store services featuring apparel, footwear...hats, bandanas, underwear, belts...and accessories" and "retail store services featuring apparel, footwear...hats, bandanas, underwear, belts...accessories" in class 35; the competing goods and services are, as Mr Hawley sensibly accepts, similar.

Comparison of marks

31. The competing marks are as follows:

The opponent's mark	Mr Sawhney's mark
KARMALoop	

32. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives marks as a whole and does not pause to analyse their various details. In addition, he 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. In reaching a conclusion on similarity I must compare the respective marks from the visual, aural and conceptual perspectives identifying, where appropriate, what I consider to be the distinctive and dominant elements of the respective marks.

33. The opponent's mark consists of the single word KARMALoop presented in upper case. Presented as it is as a single word no part of which is emphasised in any way, it contains no dominant elements; the distinctiveness lies in the mark as a whole. That said, as KARMA and Loop are words with which the average consumer will be very familiar, I have no doubt that it will recognise that the opponent's mark consists of these two well known words conjoined.

34. Mr Sawhney's mark consists of three elements. The first is a large black rectangular device inside which appears a chevron in white; it is both an independent and distinctive element of Mr Sawhney's mark The second and third elements are the words KARMA

and CLOTHING presented in a slightly stylised script in upper case; the word KARMA is presented in a slightly larger and thicker font than the word CLOTHING. In relation to the goods and services for which Mr Sawhney seeks registration, the word CLOTHING performs a purely descriptive function and has no distinctive character. That leaves the word KARMA to consider. Collinsdictionary.com defines KARMA as a noun meaning:

- “1. (Hinduism, Buddhism) the principle of retributive justice determining a person's state of life and the state of his reincarnations as the effect of his past deeds;
2. (theosophy) the doctrine of inevitable consequence;
3. destiny or fate.”

As far as I am aware (and there is no evidence to the contrary), the word KARMA is neither descriptive of nor non-distinctive for the goods and services for which Mr Sawhney seeks registration. It is, as a consequence, both an independent and distinctive element of Mr Sawhney's mark. Considered overall, I think the device and word elements of Mr Sawhney's mark have roughly equal dominance.

35. The device element and the word CLOTHING in Mr Sawhney's mark are completely alien to the opponent's mark as is the word LOOP to Mr Sawhney's mark. Given my comments above on the word CLOTHING, the presence of the word KARMA as a distinctive and identifiable element of both marks, results, in my view, in only a low to moderate degree of visual similarity between them.

36. Considered from an aural perspective, the opponent's mark will be pronounced as a three syllable word CAR-MA-LOOP. Insofar as Mr Sawhney's mark is concerned, it is well established that when a mark consists of both words and a device, it is by the word elements that the average consumer is most likely to refer to the mark. Mr Sawhney's mark may be referred to as either the two syllable word CAR-MA followed by the two syllable word CLO-THING (four syllables in total), or (more likely in my view given the goods and services for which registration is sought), as the two syllable word CAR-MA alone. In those circumstances, the competing marks will be pronounced as two and three syllable words respectively in which the first two syllables will be the same and which will, in my view, result in a reasonable degree of aural similarity between them. However, even if Mr Sawhney's mark is referred to as CAR-MA CLO-THING, given my comments above on the nature of the word CLOTHING, this does not, in my view, reduce the degree of aural similarity between the competing marks to any significant extent.

37. Whilst, when considered as a totality, the opponent's mark is unlikely to create any concrete conceptual picture in the average consumer's mind, the presence in both marks of the word KARMA as an identifiable element is likely to trigger similar conceptual imagery in the mind of the average consumer (i.e. in relation to destiny or

fate) and to that extent the competing marks are conceptually similar to at least a reasonable degree.

Distinctive character of the opponent's earlier mark

38. I must now assess the distinctive character of the earlier mark. The distinctive character of a mark can be appraised only, first, by reference to the goods and services for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

39. Although the opponent's mark consists of two well known words conjoined, as the word KARMALoop mark is neither descriptive of nor non-distinctive for the services for which its stands registered, it is, absent use, a mark possessed of a fairly high degree of inherent distinctive character. Although the opponent has provided details of the use it has made of its mark in a number of jurisdictions, it is only the use that has been made of its mark in the UK that is relevant in the context of assessing any enhanced distinctive character it may have acquired.

40. I begin by reminding myself that the material date in these proceedings is the date of the application for registration i.e. 16 February 2012. Although the evidence indicates that the opponent first made sales to the UK under the KARMALoop mark via its website in November 1999, no evidence has been provided regarding the extent of this use prior to 2008. The evidence shows that the mark the subject of the registration has been used on its website and on invoices; in the period 4 May 2010 to 4 May 2012, its website received some 2.8m hits from visitors in the UK and in the period 2008 to 1 December 2012 sales in the UK amounted to some US\$6.5M; the evidence shows that sales of a range of items including clothing, footwear and headgear have been made to a range of locations in the UK. However, even if all of the website hits and all of the sales had been made prior to the material date and had related solely to articles of clothing, footwear and headgear, given the obvious size of the retail market for these goods, this quantum of use is, in my view, unlikely to have enhanced the mark's already fairly high inherent qualities to any significant extent.

Likelihood of confusion

41. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is also necessary for me to factor in the distinctive character of the earlier mark as the

more distinctive this mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods and services, the nature of the purchasing process and that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

42. Earlier in this decision I concluded that: (i) the average consumer of the goods and services is a member of the general public who will select the goods and services by primarily visual means and who will pay a reasonable level of attention when doing so, (ii) Mr Sawhney's goods in class 25 are similar to the opponent's services in class 35 and his services in class 35 are identical to those of the opponent in class 35, (iii) the competing marks are visually similar to a low to moderate degree and aurally and conceptually similar to a reasonable degree, and finally (iv) the earlier mark is inherently distinctive to a fairly high degree and, on the basis of the evidence provided, the use made of it has not enhanced its inherent distinctive character to any significant extent.

43. Applying these conclusions to the matter at hand, I am satisfied that the presence in Mr Sawhney's mark of the distinctive device element, and the presence of the word LOOP in the opponent's mark, is more than sufficient to avoid a likelihood of direct confusion i.e. where one mark is mistaken for the other. However, the presence of the independently distinctive word KARMA in Mr Sawhney's mark, together with the fact that the average consumer will, in my view, identify the same word as an element of the opponent's KARMALoop mark, is likely, in my view, to lead the average consumer to assume that the goods and services come from undertakings which are economically linked i.e. there will be indirect confusion. In reaching this conclusion, I have not overlooked the use Mr Sawhney has made of his mark or that as far as he is aware there have been no instances of confusion between the competing marks. Insofar as the latter is concerned, it is (as the opponent points out in its submissions) well established that the absence of confusion tells one little. In addition, as Mr Sawhney's use of his KARMA CLOTHING (word only mark) only began some four months prior to the filing of his application, and the use of the mark the subject of the application only began twelve days prior to the filing of the application, there is clearly no issue of parallel trading for me to consider.

Conclusion under section 5(2)(b)

44. The opposition based upon section 5(2)(b) of the Act succeeds in full.

The objection based upon section 5(3) of the Act

45. As the opponent has succeeded in full under section 5(2)(b) of the Act, there is, strictly speaking, no need for me to consider this alternative ground. However, for the sake of completeness, I will comment upon it briefly. The principles to be applied when determining an objection under this ground were summarised by the Hearing Officer, Allan James, in BL O-179-11 as follows:

“(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors Corp v Yplon SA* [2000] RPC 572 (CJEU), paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26; but the reputation of the earlier mark may extend beyond the consumers for the goods and services for which it is registered; *Intel Corporation Inc v CPM United Kingdom Ltd* - [2009] RPC 15 (CJEU), paragraph 51.

(c) It is necessary, but not sufficient, for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10 (CJEU), paragraph 29 and *Intel*, paragraph 63.

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

(e) Although it is not a necessary factor, a link between the trade marks is necessarily established where the similarity between the marks causes the relevant public to believe that the goods/services marketed under the later mark come from the owner of the earlier mark, or from an economically connected undertaking; *Intel*, paragraph 57.

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

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

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

(i) Detriment to the repute of the earlier mark is caused when the goods or services for which the later mark is used by the third party may be perceived by the public in such a way that the earlier trade mark's power of attraction is reduced; *L'Oreal SA and others v Bellure NV and others* - C-487/07 (CJEU), paragraph 40.

(j) Unfair advantage covers, in particular, cases where a third party seeks to ride on the coat-tails of the senior mark in order to benefit from a transfer of the image of the earlier mark, or of the characteristics it projects to the goods/services identified by the later mark; *L'Oreal*, paragraph 41."

46. I summarised the use provided by the opponent of its KARMALOOOP mark in paragraph 40 above and concluded that it was unlikely to have enhanced its distinctive character to any significant extent. It follows that the evidence provided falls a long way short of establishing that at the date of Mr Sawhney's application the opponent had the type of reputation in the UK referred to in *General Motors Corp v Yplon SA* and which is necessary to get an opposition based upon section 5(3) of the Act off the ground. As a consequence, the opposition based upon section 5(3) of the Act falls at the first hurdle and is dismissed accordingly.

Overall conclusion

47. The opposition based upon section 5(2)(b) succeeds in full and the opposition based upon section 5(3) fails.

Costs

48. As the opponent has been successful it is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, I award costs to the opponent on the following basis:

Preparing a statement and considering Mr Sawhney's statement:	£200
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Preparing evidence and considering and commenting on Mr Sawhney's evidence:	£500
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Written submissions:	£300
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Opposition fee:	£200
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Total:

£1200

49. I order Anuj Sawhney to pay to Karmalooop Inc. the sum of **£1200**. 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 12th day of December 2013

**C J BOWEN
For the Registrar
The Comptroller-General**