

O-099-14

TRADE MARKS ACT 1994

APPLICATION No.2633579

BY MR BENJAMIN LAW AND MR DANIEL CUMMINGS

TO REGISTER OKE DREAM & Oke Dream

AS A SERIES OF TWO MARKS

AND

OPPOSITION No.104316

BY KTS GROUP LIMITED

Background and pleadings

1. This is an opposition by KTS Group Limited to an application made on 3 September 2012 by Mr Benjamin Law and Mr Daniel Cummings to register **OKE DREAM** and **Oke Dream** as a series of two trade marks for:

Class 25

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

Class 35

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

2. The grounds of opposition are that:

- The opponent is the proprietor of two earlier marks, UK registrations 2216417 and 2080937 for the marks DREAM and DREAMS, respectively.
- The marks are registered in class 25 for clothing, swimwear, footwear and headgear.
- The marks have been used for clothing, which is the same or similar to the goods and services covered by the opposed application.
- The opponent's DREAM mark is subsumed within the applicants' mark, but retains its own distinctive role in that mark.
- The OKE element is likely to be perceived merely as a manufacturer's or reseller's name.
- There is therefore a likelihood of confusion, including the likelihood of (mis)association and the application should be refused under s.5(2)(b) of the Act.

3. The applicants filed a counterstatement denying the grounds of opposition and, as the earlier marks had been registered for more than 5 years at the date of publication of the applicants' marks, putting the opponent to proof of use of the earlier marks and any reputation acquired by those marks.

4. Both sides ask for an award of costs.

Representation

5. Neither side asked to be heard. However, I received written submissions from Mathys and Squire on behalf of the applicants, and from Page Hargrave on behalf of the opponent.

Proof of use

6. The opponent's earlier marks were registered on 25 October 1996 (DREAMS) and 27 April 2001 (DREAM). Both earlier marks are therefore subject to the proof of use requirements set out in Section 6A of the Act, the relevant parts of which are as follows.

Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where -

(a) an application for registration of a trade mark has been published,
(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain,
And

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application 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) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) 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.

(5) -

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

7. The applicants' marks were published on 5 October 2012. The relevant 5 year period is therefore 6 October 2007 to 5 October 2012.

8. The opponent's evidence takes the form of two witness statements from Khalid Sharif, who is the Managing Director of KTS Group Limited, the opponent company. Mr Sharif's evidence is that his company and its predecessors in business have been selling clothing and related goods bearing the mark DREAMS since 1982. Sales are made through a wholly owned subsidiary company called Flick Fashions Limited, of which Mr Sharif is also the Managing Director. The opponent is principally a wholesale supplier of goods to retailers in the UK and other EU countries. However, it also sells DREAMS clothing and related goods via its own UK retail outlets. Since 1999 the opponent has also sold DREAM labelled garments. These were sold either directly or via a licensee.

9. In his first witness statement Mr Sharif provides sales figures for each of the years 2008 to 2012. These show sales of around £6 -12m per annum. However, Mr Sharif says that these are not limited to products bearing the marks DREAMS or DREAM. Nevertheless, he says that "most of our sales were under the DREAMS label with a smaller proportion under the DREAM label."

10. The marks are applied to the goods via neck or waist labels. Mr Sharif exhibits examples of the marks on such labels¹.

11. I note that the mark DREAM is shown on a label for jeans as part of the mark DREAM JEANS.

12. Mr Sharif also exhibits² pictures of numerous articles of woman's clothing which he says are representative of clothing sold under the DREAMS or DREAM marks during the relevant period. I note that some jeans in these pictures are shown as having product codes beginning with the letter "c".

13. The labels for the products cannot be seen clearly in the pictures in this exhibit, but many of the products have the word DREAMS printed across or above them. The word DREAMS is printed in a flowing style, as though handwritten.

14. Mr Sharif also provides³ copies of invoices dated between 2008 and 2012 showing numerous sales of women's clothing items by Flick Fashions Limited. The marks DREAM and DREAMS are not shown in these invoices, but Mr Sharif says that the products bearing the codes beginning with the letters C,D, E, FA, FD, FJ, FW, H,K, L, LJ, LK and LW refer to garments bearing the DREAM or DREAMS marks. These codes relate to a range of women's clothing including tops, boob tubes, t-shirts, coats, gilets, cardigans, jogging pants, jeans, camisoles, polo tops, skirts, dresses, jumpers, hooded jackets and vests.

¹ As exhibits KTS3

² As exhibits KTS1 and KTS2

³ As exhibits KTS4 and KTS5

15. Mr Sharif does not distinguish between product codes for garments bearing the DREAM mark and those relating to the DREAMS mark. However, I note that a few of the invoices from 2008 include items described as jeans with product codes beginning with the letter “c”. Given the points noted at paragraphs 10-12 above, this is consistent with the use of DREAM JEANS in relation to jeans.

16. Most of the invoices are addressed to Dream Mode Limited or later Dream Fashion Limited, which has the same address as Flick Fashions Limited. It is therefore possible that this is a related company and the sales shown in the invoices may have been within the group. However, the invoices also bear the names and addresses of 10 other businesses in the UK. I further note that the invoices cover garments with product codes other than those listed above, which would not therefore have borne the marks DREAM or DREAMS.

17. The applicants filed a witness statement by Robert Hawley, who is a Trade Mark Attorney at Mathys and Squire LLP. Apart from exhibiting a dictionary reference showing that OKE is a Maori word and some extracts from the register showing other third party registrations for marks including the word ‘Dream’, Mr Hawley’s statement is comprised essentially of submissions and a critique of Mr Sharif’s first witness statement, in particular his evidence of use of the mark DREAM.

18. In response to this criticism of his evidence, Mr Sharif filed a second witness statement. His second statement contains further evidence of use of DREAM. Specifically, Mr Sharif says that in 2012 his company was contracted to provide a range of ladies fashion wear to the High Street chain New Look under the mark:

DREAM
London

19. Mr Sharif exhibits⁴ an example of the label used for these products, which bears the above mark. He exhibits⁵ pictures of the products, which are a range of women’s clothing.

20. I note that the product codes shown on these pictures correspond with the product codes listed by Mr Sharif in his first statement as relating to products sold under the marks DREAMS or DREAM.

21. Finally, Mr Sharif provides⁶ copies of invoices bearing corresponding product codes. These are from Flick Fashions Limited to New Look Retailers Limited and 38 of them are dated between 20 January 2012 and 4 October 2012 (i.e. before the end of the relevant period on 5 October 2012). Most of these invoices are for between

⁴ As exhibit KTS7

⁵ As exhibit KTS8

⁶ As exhibit KTS9

£2k and £10k worth of products. Most of the products are leggings, jeggings and jumpers, but there are also sales of skirts, cardigans and dresses.

The law on genuine use

22. The requirements for genuine use were conveniently summarised by Ms Anna Carboni as The Appointed Person in *Pasticceria e Confetteria Sant Ambroeus Srl v G & D Restaurant Associates Ltd (Sant Ambroeus Trade Mark)* [2010] RPC 28 and approved by Arnold J. in *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch). The summary, which I gratefully adopt and re-produce below, is drawn from the judgments of the Court of Justice of the European Union (CJEU) in Case C-40/01, *Ansul BV v Ajax Brandbeveiliging BV*, Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar*, and Case C-495/07, *Silberquelle GmbH v Maselli-Strickmode GmbH*.

(1) Genuine use means actual use of the mark by the proprietor or third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely token, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] -[23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify

as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].

23. Dealing first with use of the mark DREAMS, I note, firstly, that the applicants have not directly challenged Mr Sharif's evidence that the product codes shown in exhibits KTS4 and KTS5 include sales of DREAMS products. Secondly, I note that the applicants have not challenged the use shown of the mark DREAMS in exhibit KTS3, in a flowing script, as not being use of the registered mark, or use of the mark in a form which does not alter its distinctive character.

24. In my view, the use of the mark in the form of script shown in exhibit KTS3 is use of the registered mark in a form which does not alter its distinctive character. This is because the distinctive character of the mark used does not come from the unremarkable script in which it is used but from the fact that it is the word DREAMS, which is the registered mark.

25. The scale and frequency of the use of the mark DREAMS is, in my view, sufficient to maintain a market under that mark. Further, at least some of the use shown appears to have been within the UK market. Such use was with the opponent's consent. I therefore find that it was genuine use of the mark DREAMS within the relevant period.

26. The next issue is the extent of the use shown. The opponent defends the use of its marks for "clothing". In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10 Mr Geoffrey Hobbs Q.C. as Appointed Person stated that:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

27. The opponent has shown use of DREAMS in relation to a range of women's clothing. It has not shown use of the mark in relation to all women's clothing, but this is not necessary if 'women's clothing' is a fair description of the use shown⁷. In my view, the relevant category of goods is 'women's clothing, other than headgear and footwear', which is how I believe the average consumer would perceive the use shown.

28. I next turn to the use shown of the mark DREAM. I am satisfied that there was some limited use of the mark DREAM JEANS in the UK in 2008 with the opponent's

⁷ See *Animal Trade Mark* [2003] EWHC 1589

consent in relation to women's jeans. I am also satisfied that there was more substantial use of the mark 'DREAM London' in 2012 (prior to the end of the relevant period) in relation to leggings, jeggings and jumpers, skirts, cardigans and dresses.

29. The applicants argue that use of these marks isn't use of DREAM as registered, or use of the registered mark in a form which does not alter its distinctive character. This is because it is said to be use of the registered mark only as part of composite marks.

30. I find that the uses shown constitute use of the mark DREAM. The use of JEANS in DREAM JEANS (when the mark is used in relation to jeans) is purely descriptive⁸. Similarly, the use of the word 'London' in association with the mark DREAM does not mean that the registered mark has not been used. Rather, it means that it has been used together with an indication of a geographical location, no doubt referring to the opponent's location in London.

31. Further, I note that In *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the CJEU found that:

"31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, 'use' within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish 'use' within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the 'use' of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are

⁸ See, by analogy, paragraph 40 of the judgment of the Court of Appeal in *Reed Executive plc v Reed Business Information Ltd*, Court of Appeal [2004] RPC, particularly the example given by L.J. Jacob, that Palmolive Soap (for soap) should be regarded as use of a sign identical to the mark Palmolive.

analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

32. The above case concerned a Community trade mark and the meaning of the Community Trade Mark Regulation. However, it is clear that the court's ruling is equally applicable to the identical provisions in the Trade Mark Directive governing genuine use, and national law derived from the Directive, such as s.6A of the Act.

33. Applying the law to the facts before me, I do not think that there can be any doubt that consumers would expect products bearing the marks DREAM JEANS and 'DREAM London' to originate from, or be under the control of, the same commercial source as would be the case if those products were sold under the mark DREAM alone. Therefore, I consider that even if DREAM was used only as part of composite marks, the use of the marks mentioned above also represented use of the registered mark DREAM.

34. The scale of the use of DREAM is more limited than DREAMS, but the use shown is sufficient, in my view, to create a market for women's clothing under the mark DREAM. I therefore find that it was genuine use of that mark within the relevant period.

35. Finally, there is the issue of a fair specification for the use shown. Although DREAM was used in relation to a more limited number of clothing products than DREAMS, on balance, I find that a fair description of the use shown of DREAM is again 'women's clothing, other than headgear and footwear'. This would, I believe, accord with the perception of the relevant average consumer.

Decision

36. Sections 5(2)(b) of the Act is 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".

37. I have found that the earlier marks are entitled to protection for ‘women’s clothing, other than headgear and footwear’. The opposed marks cover:

Articles of clothing; articles of outer clothing; articles of underclothing; underwear; lingerie; swimwear; sportswear; beach wear; leisurewear; sleepwear; dressing gowns; bathrobes.

38. All of these descriptions either cover ‘women’s clothing, other than headgear or footwear’ or are subsumed within that description. In either event they are to be regarded as covering identical goods⁹.

39. The applicants remaining goods are:

Headgear; hats, caps, hoods; footwear; socks; shoes; boots; sandals; slippers; ear muffs; headbands; wrist bands; belts; ties; cravats; scarves; parts, fittings and accessories for [all of these items and those shown at paragraph 37 above].

40. In *YouView Ltd v Total Ltd*¹⁰, Floyd J. (as he then was) stated:

“...Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of ‘dessert sauce’ did not include jam, or because the ordinary and natural description of jam was not ‘a dessert sauce’. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question”.

41. The items listed at paragraph 39 above are items of headgear, footwear and other accessories for clothing. It is therefore necessary to assess the degree of similarity between these goods and ‘women’s clothing, other than headgear and footwear’.

42. In the judgement of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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

⁹ See *Gérard Meric v Office for Harmonisation in the Internal Market*, General Court, Case T- 133/05 at paragraph 29.

¹⁰ [2012] EWHC 3158 (Ch) at [12]

intended purpose and their method of use and whether they are in competition with each other or are complementary”.

43. In *Boston Scientific Ltd v OHIM*¹¹ the General Court stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

44. I remind myself that the purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking, or with economically connected undertakings.

45. Considering first ‘socks’, I note that these are woven products similar in nature to leggings, which are covered by ‘women’s clothing, other than headgear and footwear’. The purpose of the respective goods is also somewhat similar in that they keep the feet/legs warm as well as protecting the feet within the user’s shoes¹². The goods do not appear to be alternative forms of clothing for the feet/legs and, if that is right, they are unlikely to be in direct competition. I nevertheless find that there is a high degree of similarity between socks and leggings, the latter of which is covered by ‘women’s clothing, other than headgear and footwear’.

45. As ‘socks’ fall within the general term ‘footwear’, also listed in the application, my finding above applies equally to the similarity between ‘leggings’ and the general term ‘footwear’.

46. Headbands and wristbands are, inter alia, accessories to women’s sportswear clothing. Belts are obviously accessories to, or sometimes parts of, all kinds of women’s clothing. Hats, caps, ties, cravats and scarves may also be accessories to women’s clothing and are therefore complementary goods. These are all highly similar goods to ‘women’s clothing, other than headgear and footwear’.

48. Hoods appear to be headgear, but they are very similar to hooded tops and jackets in that they serve a similar purpose (covering the head) and they may even form part of the same garment. These are therefore also highly similar goods to ‘women’s clothing, other than headgear and footwear’.

49. Shoes, boots, sandals and slippers are somewhat similar to ‘women’s clothing, other than headgear and footwear’ in the sense that they are all used to cover parts of the body, but footwear is normally made of tougher materials than clothing in order to serve its specific purpose of protecting the feet from abrasion with the various surfaces on which we walk. The respective goods are not in competition. Slippers

¹¹ Case T-325/06

¹² At least in the case of leggings which cover the feet.

may be sold to match items of women's clothing, such as bath robes, in which case, if they are sold under the same or similar marks, both products are likely to be taken as being those of the same undertaking. This is less true of shoes, boots and sandals, which are often (I accept not always) still sold through different retail outlets (or sections of department stores) to 'women's clothing, other than headgear and footwear'.

50. Ear muffs, like shoes etc. have a more protective purpose than clothing as such and are less likely to be sold to complement particular articles of clothing.

51. Overall, I find that there is a high degree of similarity between 'women's clothing, other than headgear and footwear' and scarves, ties, cravats, socks, headgear, hats, caps, hoods, headbands, wrist bands, belts and slippers.

52. It follows that the same finding applies to 'parts, fittings and accessories for 'women's clothing, other than headgear and footwear'.

53. I find that there is a low-to-medium degree of similarity between women's clothing and ear muffs, shoes, boots and sandals.

54. The application also covers:

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

55. In *Oakley, Inc v OHIM*¹³ the General Court ("GC") stated that:

"53.it must be pointed out that the goods covered by the earlier mark, that is, clothing, headwear, footwear, rucksacks, all-purpose sports bags, travelling bags and wallets, are identical to those to which the applicants's services relate.

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.

¹³ Case T-116/06

55. Furthermore, the relationship between the goods covered by the earlier trade mark and the services provided in connection with retail trade in respect of goods identical to those covered by the earlier trade mark is also characterised by the fact that those services play, from the point of view of the relevant consumer, an important role when he comes to buy the goods offered for sale.

56. It follows that, because the services provided in connection with retail trade, which concern, as in the present case, goods identical to those covered by the earlier mark, are closely connected to those goods, the relationship between those services and those goods is complementary within the meaning of paragraphs 54 and 55 above. Those services cannot therefore be regarded, as the applicants claim, as being auxiliary or ancillary to the goods in question.

57. Thus, notwithstanding the incorrect finding of the Board of Appeal to the effect that the services and goods in question have the same nature, purpose and method of use, it is indisputable that those services and goods display similarities, having regard to the fact that they are complementary and that those services are generally offered in the same places as those where the goods are offered for sale.

58. It therefore follows from all of the foregoing that the goods and services in question resemble each other to a certain degree, with the result that the finding in paragraph 24 of the contested decision that such a similarity exists must be upheld.”

56. Thus the GC held that there is a degree of similarity between goods X and services for the retailing of goods X.

57. On that basis I find that there is a medium degree of similarity between, on the one hand, ‘women’s clothing, other than headgear and footwear’, and on the other hand:

Retail services connected with the sale of articles of clothing, articles of outer clothing, articles of underclothing, underwear, lingerie, swimwear, sportswear, beach wear, leisurewear, sleepwear, dressing gowns, bathrobes, information, advisory and consultancy services relating to the foregoing.

58. Further, I have found that certain articles of ‘women’s clothing, other than headgear and footwear’ are highly similar to socks, scarves, ties, cravats, headgear, hats, caps, headbands, wristbands, belts, parts, fittings and accessories for women’s clothing, and slippers (and, by extension, the general term ‘footwear’). If offered under similar marks, those marks are liable to be taken as designating a single range of products. Consequently, if retail services are provided in relation to such clothing accessories under a mark which is similar to another mark used in relation to a range of women’s clothing, the mark used to distinguish the retail services may be taken as connected to the similar mark used in relation to the range of women’s clothing. I therefore find that there is also a medium degree of similarity between ‘women’s clothing, other than headgear and footwear’ and:

Retail services connected with the sale of scarves, ties, cravats, headgear, hats, caps, headbands, wrist bands, belts, socks, slippers, footwear and parts, fittings and accessories for all the aforesaid; information, advisory and consultancy services relating to the foregoing.

59. On the other hand I do not find that there is a complementary relationship, nor is there any other kind of material similarity, between 'women's clothing, other than headgear and footwear' and:

Retail services connected with the sale of ear muffs, shoes, boots, sandals, and parts, fittings and accessories for all the aforesaid; information, advisory and consultancy services relating to the foregoing.

Comparison of the marks

60. I see no greater or lesser degree of similarity between the opponent's marks and OKE DREAM or Oke Dream. From here on I will therefore treat the applicants' marks as though it was the single mark OKE DREAM. Neither OKE nor DREAM dominates the applicants' mark. Both elements contribute equally to the visual and aural impression created by the mark. As regards the degree of aural similarity, it is not clear to me how the public will pronounce OKE. I am satisfied that it will not be pronounced as the letters/word OK. For reasons explained below as part of my assessment of the likelihood of confusion, the precise pronunciation of OKE is of little importance to the outcome of this case. I will not therefore attempt to analyse any further the various possible pronunciations of OKE.

61. The opponent's mark DREAM is subsumed within the applicants' mark, albeit as the second element of that mark. This means that there is a medium degree of visual and aural similarity between the marks. However, the addition of the word OKE in the applicants' mark means that there is also a significant visual and aural difference between the marks when compared as wholes.

62. The opponent argues that the OKE element may be understood as the letters/word OK or as a person's name. I do not agree. Although the Maori meaning of OKE will not be understood by the average UK consumer of clothing and footwear, it will be seen as a foreign or made up word rather than the letters/word OK or as a personal name. The word DREAM has a well known meaning relating to a series of imaginary events during sleep. However, it also has a laudatory meaning, reflected in the sixth meaning in Collins English Dictionary as "a person or thing that is as pleasant, or seemingly unreal as a dream". This reflects well-known usages of DREAM, such as a "Dream house".

63. As a combination, OKE and DREAM has no meaning. However, the meaning of DREAM is as apparent in the applicants' mark as it is in the opponent's earlier DREAM mark. There is therefore a degree of conceptual similarity between these marks which is not offset by any apparent meaning that UK consumers would give to the word OKE.

64. The opponent's DREAMS mark is fractionally less similar to the applicants' mark (compared to DREAM) both to the ear and to the eye. Further, although DREAMS is the plural of DREAM, the laudatory meaning associated with DREAM does not readily transfer to the word in its plural form. Therefore there is slightly less conceptual similarity too.

The distinctive character of the earlier marks

65. The word DREAMS has no reference to the characteristics of the clothing and, in my view, has a normal degree of inherent distinctive character.

66. Because the word DREAM also has a laudatory meaning, I find that it has a below normal level of inherent distinctive character. That is not to say that it is devoid of distinctive character. The mark is registered and *prima facie* valid¹⁴. It is therefore to be treated as having at least a minimum degree of distinctive character¹⁵.

67. The opponent claims that the earlier marks have acquired a reputation as a result of the use made of the marks. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*¹⁶ the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

68. Although I have accepted that the opponent's evidence shows genuine use of the earlier marks, the full extent of the use of the marks in the UK is unclear, as is the UK market share held by the marks. The use of the mark DREAM, in particular, appears to have been quite limited in extent. Further, there is no evidence of significant promotion of the marks to consumers or end users of women's clothing.

¹⁴ See section 72 of the Act.

¹⁵ See, by analogy, *Formula One Licensing v OHIM*, Case C-196/11P

¹⁶ Case C-342/97

69. I therefore find that the inherent distinctive character of the earlier marks has not been shown to have been enhanced because of the use made of them prior to the date of the opposed application.

The average consumer

70. The average consumer and end user of the goods and services at issue is a member of the general public, although the views of trade customers for the applicants' goods may also be taken into account. Those in the trade are likely to pay a higher level of attention when purchasing goods and services than the general public because their businesses depend on the choices they make. They are therefore less likely to be confused than end users of the goods covered by the application whose views are usually of decisive importance¹⁷. In this connection, I note that in *New Look Ltd v OHIM*¹⁸, the General Court stated that:

“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 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.”

71. It has therefore been recognised that the average consumer's level of attention will vary considerably depending on the cost and nature of the types of clothing at issue. However, to my mind even when selecting routine inexpensive items of clothing such as leggings, the average member of the general public will pay attention to considerations such as size, colour, fabric and cost. Overall the relevant average consumer is likely to pay a normal degree of attention when selecting items of clothing, headgear and footwear.

Likelihood of confusion

72. In *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11 Arnold J. approved the following principles gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95 [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97 [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98 [2000] E.T.M.R. 723, *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*,

¹⁷ *Björnekulla Fruktindustrier AB v Procordia Food AB* Case C-371/02, [2004] R.P.C. 45 (CJEU)

¹⁸ Cases T-117/03 to T-119/03

Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* Case C-334/05P.

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 in 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 creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

73. As I have found that DREAM is a little more similar to the applicants' mark than the opponent's other mark – DREAMS - I will first consider the opposition based on DREAM. I earlier found that although DREAM does not dominate the mark OKE DREAM, there is a medium degree of visual (and aural) similarity between that mark as a whole and DREAM alone. There is also a degree of conceptual similarity.

74. The opponent relies on the judgment of the CJEU in *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*¹⁹, and argues that as DREAM has an independent distinctive role in OKE DREAM it will lead the relevant public to believe that the applicants' goods and services originate from the opponent, or from an economically related company. In that case the CJEU found that:

“...Article 5(1)(b) of the directive is to be interpreted as meaning that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein.”

75. The requirement to consider the impact of all the component parts of a complex mark, even if they do not dominate that mark, is reflected in the courts' later case law in *Shaker di L. Laudato & C. Sas v OHIM* that:

“...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.”

76. However, I do not understand *Medion* to mean that I am required to find that there is a likelihood of confusion simply because the opponent's mark is subsumed within the applicants' mark as a separate element of that mark. Such a blanket approach would be contrary to the overriding principle that:

“The likelihood of confusion must be appreciated globally, taking account of all relevant factors”.

77. Unlike in the *Medion* case, the earlier mark in this case – DREAM – has a below normal level of distinctive character, and some of the goods and services at issue are not identical to the goods for which the earlier mark is entitled to protection. Neither of these points excludes a finding that there is a likelihood of confusion because that would amount to overlooking the impact that the word DREAM might have on the public as part of the applicants' mark in circumstances where that word is plainly not a negligible component of the mark. I will therefore take account of the judgment in *Medion*, but make my decision, as I am required to do, on the basis of all the relevant factors.

¹⁹ Case C-120/04

78. I note that in *New Look Ltd v OHIM*, the General Court said this about the selection of clothing:

“50. 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.”

79. I adopt this reasoning, which means that the visual similarity between OKE DREAM and DREAM is more important than the level of aural similarity. It is not therefore necessary to decide precisely how OKE is likely to be pronounced.

80. The opponent is concerned that the average consumers will regard OKE as the name of the manufacturer or reseller (retailer) of DREAM clothing. Despite the relatively weak distinctive character of the word DREAM, there is, in my judgment, a real risk that when OKE DREAM is used in relation to women’s clothing, highly similar goods, or services for the retailing of women’s clothing or highly similar goods, the relevant public will associate that mark with the opponent’s DREAM mark and believe that the same undertaking sometimes uses that mark in combination with its name OKE, or that OKE DREAM is used by an undertaking economically linked to the undertaking responsible for DREAM clothing.

81. I therefore find that there is a likelihood of confusion between these marks insofar as the following goods and services are concerned.

Class 25

Articles of clothing; articles of outer clothing; articles of underclothing; underwear; lingerie; swimwear; sportswear; beach wear; leisurewear; sleepwear; dressing gowns; bathrobes; ties; cravats; headgear; hats, caps, hoods; scarves; headbands; wrist bands; belts; footwear; socks; slippers; parts, fittings and accessories for all the aforesaid.

Class 35

Retail services connected with the sale of articles of clothing, articles of outer clothing, articles of underclothing, underwear, lingerie, swimwear, sportswear, beachwear, leisurewear, sleepwear, dressing gowns, bathrobes, ties, cravats, headgear, hats, caps, hoods, scarves, headbands, wrist bands, belts, footwear, socks, slippers, and parts, fittings for all the aforesaid; information, advisory and consultancy services relating to the foregoing.

82. Where the goods or services are of a lower level of similarity or dissimilar, I find that the distinctive character of DREAM is not sufficient for the inclusion of that word in the applicant’s mark to be seen as more than just coincidental. Consequently, the opposition based on DREAM fails for:

Class 25

Ear muffs; shoes; boots; sandals.

Class 35

Retail services connected with the sale of ear muffs; shoes; boots; sandals; parts, fittings for all the aforesaid; information, advisory and consultancy services relating to the foregoing.

83. The opponent's other earlier mark DREAMS has a higher level of distinctiveness, compared to DREAM, but is a little less similar to the later mark. I find that these factors cancel each other out, meaning that the opposition based on DREAMS succeeds to no greater extent than the opposition based on DREAM.

84. In reaching my decision I have noted the applicant's argument that other marks including the word DREAM are already registered in class 25 in the names of third parties. For example, LIGHT DREAM, DREAM ON, and POWERING THE DREAM. However, evidence of the mere registration of these marks says nothing about whether they are in concurrent use with the opponent's marks in the market for clothing. Consequently, they are irrelevant to the issue of whether there is a likelihood of confusion between the applicants' mark and the opponent's earlier marks.

Costs

85. As the opposition has been largely successful, the opponent is entitled to a contribution towards its costs. I order Mr Benjamin Law and Mr Daniel Cummings to pay KTS Group Limited the sum of £1400 made up of:

- i) £400 for filing the notice of opposition (including the official fee).
- ii) £750 for filing evidence and considering the applicants' evidence.
- iii) £250 for filing written submissions.

86. I have reduced the amount that would otherwise have been payable by £200 to reflect the fact that the opposition was not 100% successful.

87. The sum of £1400 is to be paid within 35 days of the date of the decision shown below (subject to appeal).

Dated this 4th Day of March 2014

**Allan James
For the Registrar**