

O-308-14

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION No. 1124832
AND THE REQUEST BY SUGARTOWN WORLDWIDE LLC
TO PROTECT THE TRADE MARK
LILLY PULITZER
IN CLASS 25
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 72473 BY
LILLY A/S**

BACKGROUND

1) On 17 May 2012, Sugartown Worldwide LLC (hereinafter the applicant), on the basis of its international registration based upon its registration held in the United States, requested protection in the United Kingdom of the trade mark LILLY PULITZER under the provisions of the Madrid Protocol. Protection was sought for the following goods in Class 25: Clothing, namely, blouses, shirts, sweaters, pants, jeans, slacks, shorts, skirts, dresses, sleepwear, robes, swimwear, jackets, raincoats; men's clothing, namely, swim trunks, ties, and boxer shorts; children's wear, namely, dresses, sweaters, blouses, shirts, skirts, jeans, pants, slacks, and shorts; belts; headwear; and footwear.

2) The United Kingdom Trade Marks Registry considered that the request satisfied the requirements for protection in accordance with Article 3 of the Trade Marks (International Registration) Order 1996 and particulars of the international registration were published in accordance with Article 10 on 14 September 2012 in Journal 6957.

3) On 13 December 2012 Lily A/S filed notice of opposition to the conferring of protection on this international registration. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

Mark	Number	Date of application / registration	Class	Relevant Specification
LILLY	CTM 580282	18.07.97 31.08.01	25	Religious and festive occasions clothing, footwear and headgear.

b) The opponent contends that the mark in suit is confusingly similar to its registered trade mark. It states that the goods applied for in the mark in suit are similar or identical to those for which its mark is registered. The mark in suit therefore offends against Section 5(2)(b) of the Act.

4) On 15 January 2013, the applicant filed a counterstatement denying the ground. They put the opponent to strict proof of use of its mark. The applicant states that its mark has been registered in the EU since 1996 and has been used in the UK and elsewhere in the EU without confusion.

5) Both sides filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 30 June 2014 when the opponent was represented by Ms Wilkinson of Messrs Duffy Baker & MacKenzie LLP; the applicant was represented by Mr Hollingworth of Counsel instructed by Messrs Marks and Clerk LLP.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 6 November 2013, by Anna Katherine Rantzau Ulrich the CEO of the opponent, a position she has held since 2005 having worked for the opponent since 1990. She states that she has 23 years of experience in

the fashion and clothing industry and in this time she has developed a significant understanding of the fashion industry and the European clothing industry. She states that the opponent has been manufacturing clothing in Denmark since 1946, and that since the 1980s the product range has grown from predominantly wedding dresses to include christening gowns and other religious and festival clothing and also, more recently, contemporary clothing. She provides the following exhibits:

- ARKU1: A list of LILLY stores in the EU. This shows seven in Denmark and twelve in Germany (including an outlet store).
- ARKU2: A list of stockists in the EU who offer LILLY branded clothing, footwear and headgear for sale. These are shown as being in Austria (4), Belgium (6), Germany (28), Hungary (20), Italy (1), Netherlands (10), Poland (19), Romania (2), and Sweden (8).
- ARKU3: Copies of invoices which relate to the sale in the EU of products branded with LILLY. The addresses are somewhat curious, and have I imagine been mixed up. For instance two invoices supposedly for Latvia are addressed to Iceland; one invoice supposedly for Ireland is addressed to Austria; two invoices for Austria are addressed to Hungary; one invoice for Hungary is addressed to Germany; one invoice for Germany is addressed to Luxembourg; one invoice for Luxembourg is addressed to Lithuania and one invoice for Lithuania is addressed to Latvia. There are three invoices for 2007 which show use on veils, bridal dresses/gowns/skirts and tops. There are four invoices for 2008 which show use on wedding dresses, bridal tops, a baptism gown and hat. There are two invoices for 2009 which show use on confirmation skirts, tops and dresses. There are three invoices for 2010 which show use on bridal gowns and petticoats. There is one invoice for 2011 which shows use on dresses and shoes. There are two invoices for 2012 (March and June) these show use on dresses and jackets. Taking into account the country to which the invoice was actually addressed I have constructed the table below. The figures in the invoices below have been reduced to take account of items which do not fall in class 25 such as belts, hairpieces etc.

Country	Date	Amount €	Details
Ireland	13.06.07 (outside period)	2,139	Veils, bridesmaids gowns and dresses, bridal gowns, skirts and tops.
Lithuania	06.11.07	1,605	Bridalgowns.
Finland	30.11.07	2,555	Veils, bridal gowns, skirts and tops.
Hungary	17.01.08	2,921	Bridal gowns.
Austria	14.11.08	2,895	Bridal gowns.
Latvia	18.11.10	1,128	Bridal gowns and petticoats.
Holland	23.11.10	247	Bridal gown.
Luxembourg	12.02.10	199	Bridal gown.
Germany	13.10.11	4,483	Dresses and shoes.

Belgium	16.03.12	121	Jackets and dresses.
France	06.08.12	870	Jacket and dresses.

- ARKU4: Copies of five invoices which relate to the sale in the UK of products branded with LILLY. These cover the period June to December 2009 and are all addressed to the same business in Blackburn and are for 3466 Euros. These show use on veils and baptism gowns and hats.
- ARKU5: Copies of the front cover of the opponent's catalogues for the years 2009-2012. These show bridal dresses and veils, bridesmaid dresses, ordinary dresses, shoes and handbags. Each front cover shows use of LILLY.
- ARKU6: A selection of press advertising in Danish magazines for the period 2007-2012. They show the mark LILLY being used on Bridal attire including dresses veils and gowns, grooms clothing and christening gowns.
- ARKU7: A screen shot of the home page of the opponent's website dated 2014 and an undated screenshot.
- ARKU8 & 9: Marketing and sales figures for the EU in relation to LILLY branded products for the period 2008-2012. It is not stated what goods the sales figures are in relation to or what the marketing figures relate to. They are as follows:

Year	EU turnover. Euros € million	EU marketing in relation to clothing and accessories. Euros €
2008	9.0	785,250
2009	8.8	751,532
2010	9.4	948,569
2011	10.5	802,594
2012	9.9	743,919

APPLICANT'S EVIDENCE

7) The applicant filed a two witness statements. The first, dated 7 January 2014, is by Mary Margaret Heaton the Assistant General Counsel and Assistant Secretary of Oxford Industries Inc. the parent company of the applicant. She has held her position since December 1994, and her company acquired the applicant company in late 2010. She states that her statement is taken from her personal knowledge and also the records of the applicant, to which she has full access. She states that the mark in suit has been used since the early 1960s, initially on women's clothing but later included clothing for men and children, shoes, jewellery accessories, bedding, stationery and other goods. She states that a number of UK residents purchased goods through the applicant's website during the period 2008 to 2 February 2013. During this time she states that orders totalling £70,000 were placed by individuals providing UK addresses for billing. However, I note that the applicant does not ship abroad and Ms Heaton states that the orders were dispatched to addresses in the USA, she presumes family or

third party vendors who then arranged shipping. In March and April 2009 the applicant shipped 157 items such as dresses, cardigans, tops, pants, tunics, shorts and jackets at a total invoice cost of US\$16,606.76 to Harrods in London. The invoices at exhibit 2 show use of a stylised version of the mark in suit with the name “Lilly” appearing to be a signature, in large font, and the surname “Pullitzer” in small capital letters underneath. She states that the applicant sells to vendors, such as Saks Fifth Avenue, who ship the applicant’s goods worldwide, although no specific details are provided. Ms Heaton contends that the evidence shows that sales have been made in the UK and also claims to have sold into other members of the EU. She also provides the following exhibits:

- 5: Photographs of the type of labels placed on the goods sold to Harrods. These show the name “Lilly Pullitzer” as a signature in a single line of equal size.
- 7: Copies of catalogues from 2008 to 2012. She states that the full range of products were available for purchase in the UK, although it is not stated whether any catalogues were sent to the UK or what if any goods were ordered.
- 8 & 9: Ten small quotes from articles in newspapers and magazines such as *The Guardian*, *The Independent*, *The Telegraph*, *International Herald Tribune* and *Vogue* which mention the applicant’s trade mark. These date between May 2007 and April 2012. I note that the article from the *Telegraph*, dated 2007, states that the mark is “relatively unknown here”.

8) The second witness statement, dated 3 February 2014, is by Alison Melling the applicant’s Trade Mark Attorney. She points out that the Faroe Isles and Iceland are not in the EU and so the opponent’s evidence in relation to these countries should not be taken into account. She also provides copies of parts of the OHIM manual regarding evidence in opposition cases, which I do not find of assistance in reaching my decision. At exhibit 4 she provides screen shots of the opponent’s website which she states are identical or very similar to those filed by the opponent, she suggests that the opponent has filed recent screenshots and claimed that they are from an earlier period. I note that the opponent made no claim regarding dates in the witness statement, and one screenshot was clearly dated 2014. She provides copies of the UKIPO register showing thirteen trade marks with the name “LILLY” in them and registered for Class 25 goods and one for retailing clothing.

- 5: Registration details for the following marks: **Lily Joy**, Lily...y Fashion UK Ltd (and device), **Lilly Piccadilly (device mark)**, **Lilly + Sid (device mark)**, Kate Lily, **Lilly (and device)**, Lilly Lady (device mark), **Lilly May (device mark)**, Lilly Pink, Lilly Lane, **Lilly Whittingham**, Lilly’s Closet (device mark), **J Lilly** and in Class 35 Lily LOU. (Those marked bold have an exclusion to the Class 25 goods along the lines of “none of the aforesaid goods being bridalwear, evening dresses, wedding dresses, bridesmaid dresses or clothing for religious ceremonies”.)

9) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

10) The sole ground of opposition is based on section 5(2)(b) which reads:

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

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

11) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

12) The opponent is relying upon its mark listed in paragraph 3 above which is clearly an earlier trade mark. Given the interplay between the date the opponent’s mark was registered and the publication date of the mark in suit, the proof of use provisions are in play and the applicant has put the opponent to proof of use. Section six of the Act states:

“6A Raising of relative grounds in opposition proceedings in cases 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 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) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

13) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of the mark has been made. In the instant case the publication date of the application for protection was 14 September 2012, therefore the relevant period for the proof of use is 15 September 2007 – 14 September 2012. When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied, namely: the judgments of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch),

Arnold J commented on the case-law of the CJEU in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a 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]; *Sunrider*, [70]; *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]; *Sunrider*, [70]-[71].

(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]; *Sunrider*, [72]”

14) The earlier mark is a CTM which means that genuine use must be in the EC. In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 (“*ONEL*”) the CJEU said:

“28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

15) Regarding the territorial scope of the use, the CJEU went on to say:

“52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark

requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. *A de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

16) In their written submissions provided at the time of their evidence the applicant made a number of points about the evidence of use filed by the opponent. Some were valid and were points I picked up upon and have commented on in my summary of this evidence. Some were minor points which do not affect my decision. As part of their skeleton argument the applicant also commented:

“15. The Court of Justice emphasised the need sufficient clarity and precision in the specification of goods, so as to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection sought in Case C-307/10 Chartered Institute of Patent Attorneys v Registrar of Trade Marks (IP Translator) [2013] RPC 11 (paragraph [49]). In Total Limited v. YouView TV Limited [2014] EWHC 1963 (Ch), Sales J, having considered IP Translator, confirmed that the correct approach is to focus on the core of what is described

and the ordinary and natural meaning of the words or phrases used (paragraph [58]).

16. It is submitted that *religious occasions clothing, footwear and headgear* is apt to cover garments such as clerical clothing, religious habits, vestments and the like. *Festive occasion clothing, footwear and headgear* is apt to cover national dress and clothing for particular festivals and festivities such as Christmas.

17. The core of the Opponent's goods appears to be wedding dresses and other bridal wear. It is submitted such goods do not fall within the natural and ordinary meaning of '*religious and festive occasions clothing*'. It is common knowledge that weddings are, today, frequently non-religious; yet brides typically wear wedding dresses at secular weddings. Neither would weddings commonly be referred to as 'festive occasions'. If the Opponent wished to secure protection for wedding dresses and the like, it could and should have sought and obtained such protection with the requisite degree of clarity and precision."

17) Whilst I fully support the view that it is preferable if specifications reflect only the goods that the trade mark owner intends to use the mark upon, it is a fact that specifications are frequently couched in terms which are slightly wider than the simple terms that may be applied to the goods produced at that time in order to cover any future expansion. To my mind a wedding is clearly a festive occasion, one would only have to ask any bride. Many weddings will also be religious occasions, despite the comments regarding secular marriages. Similarly, a confirmation or baptism will be a religious occasion but also a festive occasion.

18) In the instant case the evidence has a cogent narrative from an officer of the company who clearly is in a position to provide such evidence and can comment upon the activities of the opponent during the relevant period. Ms Ulrich's comments are supported by a number of exhibits. The applicant has criticised a number of these items and in part the criticism has been valid. However, when one looks at the full picture it is clear that the opponent has stores in Germany and Denmark and 98 stockists in 9 EU countries. It has provided invoices addressed to eleven (Ireland excluded due to date) EU countries for Veils; Bridal gowns, skirts, petticoats and tops; dresses, jackets and shoes; baptism gowns and hats. Whilst these invoices do not show huge use they do total €20,490. Whilst the evidence of catalogues and marketing can be criticised, it cannot be completely ignored.

19) I must now consider the evidence filed and determine a fair specification for use in the comparison test. In determining a fair specification I take into account the approach set out by Mr Richard Arnold QC (as he was then) acting as the Appointed Person in O/262/06 (*NIRVANA*) where he said:

"58. I derive the following propositions from the case law reviewed above:

(1) The tribunal's first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fuller* at [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].”

20) The opponent's mark is registered for “Religious and festive occasions clothing, footwear and headgear” in Class 25 and it has shown use on “Veils; Bridal gowns, skirts, petticoats and tops; dresses, jackets and shoes; baptism gowns and hats”. To my mind the use shown is adequate to maintain its full specification as registered.

21) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC

acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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/ 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; 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;

(e) 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;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

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

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

(i) 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;

(j) 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.

Distinctive character of the opponent's earlier trade marks

22) The opponent has provided evidence of use of its mark in a number of areas within the EU in respect of outer garments but very little within the UK. The opponent accepted at the hearing that it had no reputation in the UK and could not benefit from an enhanced distinctiveness. I believe that the opponent's mark is inherently moderately distinctive for the goods for which it is registered.

The average consumer and the nature of the purchasing process

23) I must now determine the average consumer for the goods of the parties. The products of both parties are such that they would be aimed at both the general public and also at businesses retailing the products. Both parties' specifications are, broadly speaking, clothing, footwear and headgear. Such goods will be sold in, inter alia, traditional retail outlets on the high street, through catalogues and on the Internet. The average consumer of the goods at issue is a member of the general public who is likely, in my opinion, to select the goods mainly by visual means. I accept that more expensive items may be researched or discussed with a member of staff. In this respect I note that in *New Look Ltd v OHIM Cases- T-117/03 to T-119/03 and T-171/03*, the General Court (GC) 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."

24) In the same case the Court also commented upon the degree of care the average consumer will take when selecting clothing. It said:

"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.”

25) Clearly, the average consumer’s level of attention will vary considerably depending on the cost and nature of the item at issue. However, to my mind even when selecting routine inexpensive items of clothing such as socks, the average consumer will pay attention to considerations such as size, colour, fabric and cost. Overall the average consumer is likely to pay a reasonable degree of attention to the selection of items of clothing, footwear or headgear.

Comparison of goods

26) For ease of reference I reproduce the specifications of both parties:

Applicant’s specification	Opponent’s specification
Clothing, namely, blouses, shirts, sweaters, pants, jeans, slacks, shorts, skirts, dresses, sleepwear, robes, swimwear, jackets, raincoats; men’s clothing, namely, swim trunks, ties, and boxer shorts; children’s wear, namely, dresses, sweaters, blouses, shirts, skirts, jeans, pants, slacks, and shorts; belts; headwear; and footwear.	Religious and festive occasions clothing, footwear and headgear.

27) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.’

28) The accepted test for comparing goods is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed in *Canon*. In that case the factors to be taken into account were:

- a) The respective uses of the respective goods;
- b) The respective users of the respective goods;
- c) The physical nature of the goods;
- d) The respective trade channels through which the goods reach the market;
- e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be found on the same or different shelves;

f) The extent to which the respective goods are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods in the same or different sectors.

29) I also bear in mind the following guidance of the GC in *Gérard Meric v OHIM*, T-133/05:

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

30) Finally, in terms of understanding what a "complementary" relationship consists of, I note the judgment of the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06 where it was stated:

"It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 Segio Rossi v OHIM - Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM - Propamsa (PAM PUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Ingles v OHIM - Bolanos Sabri (PiraNAN diseno original Juan Bolanos) [2007] ECR I-0000, paragraph 48)."

31) I also note that that the Registry guidance to its examiners includes the following:

“While not desirable in specifications since it encourages tautology, such wording should usually not be changed. Such terms are not allowable in Class 35 (with the exception of “namely” see below) for specifications covering retail services as they do not create the legal certainty that is required. However, in other class the terms may be allowed. For example we would allow:

Biocides including insecticides and pesticides. Paper articles of stationery in particular envelopes. Dairy products namely cheese and butter.

Note that specifications including “namely” should be interpreted as only covering the named Goods, that is, the specification is limited to those goods. Thus, in the

above “dairy products namely cheese and butter” would only be interpreted as meaning “cheese and butter” and not “dairy products” at large. This is consistent with the definitions provided in Collins English Dictionary which states "namely" to mean "that is to say" and the Cambridge International Dictionary of English which states "which is or are".”

32) Clearly the terms “footwear” and “headgear” encompass the narrower specification of “Religious and festive occasions footwear and headgear” and as such these items are identical. Similarly the following “blouses, shirts, slacks, skirts, dresses, jackets; men’s clothing, namely, ties; children’s wear, namely, dresses, slacks; belts” could all be encompassed within the opponent’s specification and must be regarded as identical.

33) This leaves what might be regarded as the more casual wear items of the applicant’s specification “Clothing, namely, sweaters, jeans, shorts, sleepwear, robes, swimwear, raincoats; men’s clothing, namely, swim trunks and boxer shorts; children’s wear, namely, sweaters, jeans, and shorts”. I am willing to accept that these items have a degree of similarity with the opponent’s “Religious and festive occasions clothing” as the public have been educated into accepting that clothing manufacturers often produce a wide range of clothing from the formal to the informal and they are often found in the same parts of retail outlets. Therefore, these have a low degree of similarity.

Comparison of trade marks

34) The trade marks to be compared are as follows:

Applicant’s mark	Opponent’s mark
LILLY PULITZER	LILLY

35) It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between trade 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 identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

36) The opponent’s mark consists of a single word which will be seen as a forename by the average consumer, although the opponent contended that the word “LILLY” could be mistaken for “LILY” and thus thought to be the name of a flower. Whichever view one takes the dominant and distinctive element resides within the whole of the mark. The opponent also contended that the applicant’s mark could also be seen as the name of a flower together with the particular type. However, in my experience the name of the type of flower tends to come first such as the Peace Lily or the Falstaff Rose. To my mind,

the average consumer will view the applicant's mark for what it is, the name of the designer. I will approach the comparison of the trade marks with these conclusions in mind.

Visual / Aural and Conceptual similarity

37) The opponent contended that the beginnings of marks are more likely to be taken into account by the average consumer. I accept that this is usually the case, however, here the two words of the mark in suit hang together as a name and the average consumer is used to differentiating by surname, particularly when the forename is relatively common, as is the case here. So although there is a degree of visual and aural identity, these are outweighed by the differences. Conceptually I believe that both will be viewed as names, with one being far more specific than the other as it contains a surname. Overall, the respective marks share a low level of similarity.

Likelihood of confusion

38) Both side referred me to a number of cases which they contended supported their view of matters. The main point I take from all of these cases is that they are determined by the individual circumstances in each case. However, I take note of the comments of the Court of Justice of the European Union (CJEU) in Case C-51/09 *Barbara Becker v Harman International Industries, Inc*, where the Court held:

“36. Although it is possible that, in a part of the European Union, surnames have, as a general rule, a more distinctive character than forenames, it is appropriate, however, to take account of factors specific to the case and, in particular, the fact that the surname concerned is unusual or, on the contrary, very common, which is likely to have an effect on that distinctive character. That is true of the surname ‘Becker’ which the Board of Appeal noted is common.

37. Account must also be taken of whether the person who requests that his first name and surname, taken together, be registered as a trade mark is well known, since that factor may obviously influence the perception of the mark by the relevant public.

38. Furthermore, it must be held that, in a composite mark, a surname does not retain an independent distinctive role in every case solely because it will be perceived as a surname. The finding with respect to such a role may be based only on an examination of all the relevant factors of each case.

39. Moreover, as the Advocate General pointed out in essence, in point 59 of his Opinion, the grounds relied on by the General Court in order to conclude that the marks at issue are conceptually similar, if they were held to be consistent with Article 8(1)(b) of Regulation No 40/94, would result in acknowledging that any surname which constitutes an earlier mark could be effectively relied on to oppose registration of a mark composed of a first name and that surname, even though,

for example, the surname was common or the addition of the first name would have an effect, from a conceptual point of view, on the perception by the relevant public of the composite mark.

40. It follows from all the foregoing that the General Court erred in law in basing its assessment of the conceptual similarity of the marks on general considerations taken from the case-law without analysing all the relevant factors specific to the case, in disregard of the requirement of an overall assessment of the likelihood of confusion, taking account of all factors relevant to the circumstances of the case, and based on the overall impression produced by the marks at issue.”

39) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and vice versa. The evidence does not allow me to find the opponent to have a reputation in class 25 goods although its mark is inherently moderately distinctive for the goods for which it is registered. I have found that certain goods are identical and so will first consider the issue with these identical goods in mind. The average consumer is well used to distinguishing between those who share a common first name by referencing their surname. In the instant case the opponent’s mark is simply a forename, LILLY, which is a relatively common forename in the UK. The opponent contended that marks are frequently shortened where use of the forename is considered more suitable for younger consumers. However, no evidence regarding this point was provided.

40) In *L.A. Sugar Limited v By Back Beat Inc* (BL-O/375/10), the Appointed Person, Mr Iain Purvis Q.C, commented on the difference between direct and indirect confusion in the following terms:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but

the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

41) To my mind, the differences between the marks are such that that the average consumer would not be directly confused. Nor do I believe that the undoubted similarities, the sharing of the forename LILLY, are such that it would lead the average consumer into believing that the applicant and the opponent are commercially linked and they are not likely to assume that the products produced under the application have a common origin to those produced under the earlier mark. **The opposition under Section 5(2)(b) therefore fails.** I am fortified in this view by the comments in *Ancco, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-385/09*:

“48 In the present case, in the light of the global impression created by the signs at issue, their similarity was considered to be weak. Notwithstanding the identity of the goods at issue, the Court finds that, having regard to the existence of a weak similarity between the signs at issue, the target public, accustomed to the same clothing company using sub-brands that derive from the principal mark, will not be able to establish a connection between the signs ANN TAYLOR LOFT and LOFT, since the earlier mark does not include the ‘ann taylor’ element, which is, as noted in paragraph 37 above (see also paragraph 43 above), the most distinctive element in the mark applied for.

49 Moreover, even if it were accepted that the ‘loft’ element retained an independent, distinctive role in the mark applied for, the existence of a likelihood of confusion between the signs at issue could not for that reason be automatically deduced from that independent, distinctive role in that mark.”

COSTS

42) As the applicant has been successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side’s statement	£300
Preparing evidence and considering the evidence of the other side	£600
Preparing for and attending a hearing	£900
TOTAL	£1,800

43) I order Lilly A/S to pay Sugartown Worldwide LLC the sum of £1,800. This sum 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 15th day of July 2014

**George W Salthouse
For the Registrar,
the Comptroller-General**