

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2624716
IN THE NAME OF CACHET KIDS LIMITED**

**AND IN THE MATTER OF OPPOSITION No. 104033 THERETO
BY CATH KIDSTON LIMITED**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST A DECISION OF MS A SKILTON DATED 14 NOVEMBER 2013**

DECISION

Introduction

1. This is an appeal against a decision of Ms. A. Skilton, the hearing officer acting for the Registrar, dated 14 November 2013, BL O/458/13, in which she rejected an opposition brought by Cath Kidston Limited (“the Opponent”) against UK Trade Mark Application number 2624716 in the name of Cachet Kids Limited (“the Applicant”).
2. Application number 2624716 was filed by the Applicant on 16 June 2012 for registration of a series of 2 word trade marks, Cachet Kids and CACHET KIDS, in respect of the following goods and services:

Class 25
Children's clothing, footwear, headgear

Class 28
Children's games and playthings; children's toy bicycles

Class 35
Retail services connected with the sale of children's clothing, footwear, headgear, children's games and playthings, children's toy bicycles
3. On 3 August 2012, the Opponent filed Notice of Opposition against all the goods and services in the Application.
4. The opposition was grounded on Section 5(2)(b) of the Trade Marks Act 1994, which provides that a trade mark must be refused registration if, because it is similar to an earlier trade mark and is to be registered for identical or similar goods or services, there exists a likelihood of confusion on the part of the public including a likelihood of association.

5. In support of its opposition, the Opponent relied on its earlier Community Trade Mark number 8891947 for CATH KIDS in Classes 25, 28 and 35. This was registered on 24 August 2010 and not subject to the proof of use provisions in Section 6A of the Act.
6. There was no question that the applied for goods and services were covered by those specified in the wider terms of the earlier trade mark, so that identical goods and services were involved¹.
7. The Hearing Officer decided the opposition on the basis of the papers before her. Neither party requested an oral hearing although both filed evidence and written submissions.

The Hearing Officer's decision

8. As I said, the Hearing Officer rejected the opposition in its entirety. Her findings were, in brief:
 - (1) The respective goods and services were identical.
 - (2) "KIDS" was non-distinctive in the context of the goods and services in suit which were for, or related to, goods for children.
 - (3) "CATH" was the distinctive and dominant element of the earlier trade mark. "CACHET" was the distinctive and dominant element of the mark applied for.
 - (4) Given the commonality of the first 2 letters CA and the KIDS endings, there was a reasonable degree of visual similarity and moderate degree of aural similarity in the parties' marks.
 - (5) The marks were conceptually distinct. The Opponent's mark would be seen as a common abbreviation for the name "Catherine" coupled with the common word "kids". The Applicant's mark would be seen as the common dictionary word "cachet" coupled with the word "kids".
 - (6) The Opponent's mark was possessed of an average inherent degree of distinctive character. The Opponent's turnover and marketing figures in CATH KIDS were impressive and would have made some difference to the distinctive character of the earlier trade mark. However, in the absence of relevant market share information, the Hearing Officer expressed herself unable to determine the extent to which the distinctive character of the earlier trade mark had been enhanced through use.
 - (7) The average consumer was the general public (including professional buyers) whose level of attention would vary according to the nature of the purchase.

¹ I do not therefore set out the list of goods and services in the earlier trade mark relied on.

- (8) The differences between the marks were sufficient to avert any likelihood of confusion direct or indirect even in the case of low price relatively frequent purchases e.g. children's clothing demanding a lower level of attention.

The appeal

9. On 12 December 2013, the Opponent filed Notice of appeal to the Appointed Person under Section 76 of the Act against the Hearing Officer's decision.
10. Both sides filed written arguments but only the Opponent appeared and was represented at the appeal hearing by its trade mark attorney, Mr Chris McLeod of Squire Patton Boggs (UK) LLP.
11. As I understood it, certain findings of the Hearing Officer were agreed or accepted. These were, by reference to the numbering at paragraph 8 above: (1) – identity of goods/services; (6) – average inherent distinctive character of earlier trade mark; and (7) make-up of relevant purchaser including that some purchases would involve a lower level of attention.
12. The Opponent also accepted that the Hearing Officer stated the law correctly. The Hearing Officer instructed herself by reference to the familiar Registrar's summary of principles relating to Section 5(2)(b) of the Act, derived from the case law of the Court of Justice of the European Union ("CJEU").
13. Instead, the complaint on appeal is that the Hearing Officer applied those principles incorrectly with reference to:
 - (a) the comparison of the trade marks; and
 - (b) the assessment of likelihood of confusion, especially in the application of the principle of interdependence.

Comparison of marks

Visual similarity

14. The Hearing Officer held that the respective trade marks were visually similar to a reasonable degree.
15. The Opponent contended that this finding was "undercooked". Mr McLeod emphasised that all the letters in the earlier mark were contained within the later mark (albeit in a different order), and that both marks began with the letters "CA" and ended with the element "KIDS".
16. Mr. McLeod accepted, however, that his first point involved a degree of artificial dissection of the marks in which the average consumer was unlikely to indulge, and "KIDS" was descriptive for the goods and services in suit, which were children-specific/related.
17. All these points were taken on board by the Hearing Officer in her decision:

“18. In its submissions dated 20 March 2013, the opponent states:

“3. ...Visually the marks are highly similar as they both contain two words, both beginning with the letters ‘CA’ and ending with the word ‘KIDS’. With respect to word marks, the first part is generally the word that primarily attracts the consumer’s attention and therefore will be remembered more clearly than the rest of the mark. Therefore, the beginning letters ‘CA’ which are common to both marks, enhance the similarity of the marks. The later mark also contains the only other letters of the earlier mark, namely ‘T’ and ‘H’. The only difference is the order of these letters and the additional letters ‘C’ and ‘E’. With this in mind and also taking into consideration imperfect recollection, CATH KIDS and CACHET KIDS are visually highly similar.”

19. The applicant submits:

“10. The two differences stated by the opponent above can have a marked impact on visual character in such a short word. Therefore the visual similarity in the words CATH and CACHET is low and there is no likelihood of confusion.”

18. Having considered the parties submissions on the visual comparison, the Hearing Officer concluded:

“20. The opponent’s mark consists of the words ‘CATH KIDS’ presented in block capitals. The applicant’s mark is the words ‘CACHET KIDS’. Any similarity between the marks rests in the common letters CA in the first word of each mark and the fact that the second word in each mark is the word ‘KIDS’. The applicant’s mark ends with the four letters ‘CHET’, the opponent’s with the two letters ‘TH’. The opponent draws my attention to the fact that consumers are likely to pay more attention to the start of a mark. The general rule, that the average consumer tends to place most importance on the start of a word, is exactly that – a general rule, which can be mitigated depending on the circumstances of the case. The difference in the lengths of the first words in the marks, created by the different endings, gives rise to a clear point of difference. Taking these factors into account I find there to be a reasonable degree of visual similarity between the marks.”

19. These are exactly the type of findings with which I should not interfere on appeal. They are matters of value judgment for the Hearing Officer that she was entitled to make (*Digipos Store Solutions Group Limited v. Digi International Inc.* [2008] EWHC (Ch), para. 6, *Okotoks Limited v. Fine & Country Limited* [2013] EWCA Civ 672 at para. 50). I have detected no material error of principle in the Hearing Officer’s assessment of visual similarity.

Oral similarity

20. In my judgment, the same is true regarding the Hearing Officer's assessment that there was a moderate degree of oral similarity between the earlier and later trade marks, which the Opponent again complained was "undercooked".

21. The Hearing Officer followed the same structure of first setting out the parties' arguments and then stating her assessment:

"21. The opponent submits:

"Phonetically, the marks have to be compared in their entirety. The KIDS element is contained in both marks, so aurally the endings are identical. CATH and CACHET are aurally similar, as they both begin with 'CA'. In addition, the letters 'TH' and 'CH' sound similar, as the letter 'H' softens the preceding consonant. The letter 'T' at the end of CACHET is insignificant phonetically as it is a silent letter... In view of the above, the marks have a high degree of phonetic similarity."

22. The applicant submits:

"12. ...To elucidate some of the aural differences, CACHET KIDS has three syllables, CATH KIDS has two. CACHET has two syllables, CATH has one. CACHET has a middle digraph of "CH", followed by the vowel "E" and then ends with consonant "T". The second syllable of CACHET is longer than any other syllables used, making it distinctive. This is completely different from CATH which simply ends with the digraph "TH". CACHET KIDS obviously sounds longer than CATH KIDS. The aural similarity of the marks is therefore very low."

22. She then concluded:

"23. The opponent's mark will be pronounced 'CATH-KIDS'. The applicant's mark may be pronounced 'CASH-AY KIDS'. The applicant's mark consists of three syllables and the opponent's of two. Both marks begin with CA and end with the word KIDS. Taking all of these factors into account I find there to be a moderate degree of aural similarity between the parties' marks."

23. Mr. McLeod agreed that the later mark (1) contained an additional syllable and (2) produced a "chet" sound in the middle of the later mark. In those circumstances, I am at loss to find any error and I accept the Hearing Officer's assessment that there was a moderate degree of oral similarity in the marks.

24. Mr. McLeod additionally objected to the Hearing Officer's use of "reasonable" (visual similarity) on the one hand, and "moderate" (oral similarity) on the other hand, between which he could see no logical distinction. These were matters of expression, which do not justify interference on appeal. The Hearing Officer's terminology was certainly clear enough for the Opponent to take the view that she had "undercooked" the visual and oral aspects.

Conceptual similarity

25. It seemed to me that the main area of contention was the Hearing Officer's treatment of conceptual similarity.

26. On this aspect her reasoning and findings were as follows:

“24. The opponent submits:

“CATH, in this instance, is the well known abbreviation for the name Catherine and CACHET means prestige. Nonetheless, conceptually there is some similarity between the marks as both marks contain the informal word ‘KIDS’, meaning children, therefore relate to children's goods/services sold under the marks.”

25. The applicant states:

“14. CATH is an abbreviation for Catherine which is a girl's name and CACHET is a dictionary word meaning prestige. When the likelihood of confusion is being assessed for the purposes of Article 8(1)(b) of Regulation No 40/94 on the community trade mark as per case T-336/03 *Les Editions Albert Rene v OHIM* paragraph 80: “such conceptual differences can in certain circumstances counteract the visual and aural similarities between the signs concerned. For there to be such a counteraction, at least one of the signs at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately.” ...The word CACHET has a clear and specific meaning that the public is capable of grasping immediately.

15. The conceptual contraction test described above certainly has the capacity to operate here given the clear and specific meaning of one of the marks and the other having no such meaning.

16. The word CACHET is more distinctive than the word CATH which is a common girl's name and therefore has limited character. CACHET is a rarer word mainly used on official seals on a document, letter and approval and has a character of its own.”

26. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. The assessment must be made from the point of view of the average consumer.

27. The average consumer will immediately comprehend a different conceptual message from the respective parties' marks. The opponent's mark will be seen as a common abbreviation for the name Catherine, coupled with the common word ‘KIDS’. The applicant's mark will be seen as the common dictionary word ‘Cachet’, coupled with the word ‘kids’.

28. Consequently, not only is there no conceptual similarity, but the competing marks are, in my view, conceptually distinct.”

27. Mr. McLeod pointed out that “Cath” could be an abbreviation for “Cathleen”. He also queried whether the fact that “cachet” was an ordinary dictionary word sufficed to give any conceptual meaning to the Applicant’s marks in the context of the goods and services concerned.
28. In fact the Opponent’s position was that neither of the respective parties’ marks would convey a conceptual meaning to the average consumer in the context of the goods and services in suit, so that the conceptual aspect was neutral. Further given that the conceptual aspect was neutral, the 33% allowed for that aspect in the global appreciation of the visual, oral and conceptual similarities in the marks, should be divided and added to the visual and oral aspects so increasing the degree of visual and oral similarities – presumably to equal extents.
29. I cannot accept those submissions. It seems to me that the Hearing Officer’s reasoning on the conceptual aspect was justified as was her conclusion that the respective marks were conceptually distinct.
30. In my judgment the first ground of appeal fails.

Principle of interdependence in the assessment of likelihood of confusion

31. The Opponent’s second ground of appeal was predicated to a large extent upon the Opponent’s argument that there was a high degree of visual and oral similarity in the marks, and the conceptual aspect was neutral.
32. Mr. McLeod in his skeleton argument referred to the case of *ZIPPO Trade Mark*, BL O/165/13. In that appeal, Ms. Amanda Michaels sitting as the Appointed Person, held that the Hearing Officer had erred not only in his conceptual comparison of the marks, but also in “double counting” the conceptual aspect in his assessment of likelihood of confusion.
33. I specifically asked Mr. McLeod whether he was contending the latter here. He confirmed that he was not, and that Ms. Skilton’s reference to Case C-361/04, *Claude Ruiz-Picasso v. OHIM* [2006] ECR I-0643 to the effect that conceptual differences may counteract the visual and oral similarities in the marks in the global assessment of likelihood of confusion², was correct.
34. In those circumstances it seems to me that the Opponent’s second ground of appeal must also fail and I uphold the Hearing Officer’s finding that there was no likelihood of confusion.

² Paras. 18 – 21 referring back to para. 56 of the decision of the Court of First Instance.

Conclusion

35. In the event the appeal was unsuccessful and the Applicant, as the successful party, is entitled to an award of costs in its favour.
36. Although the Applicant did not appear and was not represented at the appeal, it did file written observations. I will therefore order the Opponent to pay the Applicant the sum of £150 as a contribution towards the Applicant's costs of this appeal to be paid on the same terms as ordered by the Hearing Officer.

Professor Ruth Annand, 18 September 2014

Mr. Chris McLeod of Squire Patton Boggs (UK) LLP appeared on behalf of the Opponent/Appellant

The Applicant/Respondent did not appear and was not represented