

O-438-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3015856 BY
PAUL ASHFORD TO REGISTER:**



IN CLASS 24

AND

**IN THE MATTER OF OPPOSITION
THERE TO UNDER NO. 400926 BY
MEVLUT KAYGUSUZ**

BACKGROUND

1. On 29 July 2013, Paul Ashford applied to register the trade mark shown on the cover page of this decision. The application was published for opposition purposes on 30 August 2013 for the following goods in class 24:

Textiles and textile goods, not included in other classes; Honeycomb materials [textiles]; Household textiles; Textiles for furnishings; Textiles for interior decorating; Textiles made of cotton; Textiles made of flannel; Textiles made of linen; Textiles made of satin; Textiles made of silk; Textiles made of synthetic materials; Textiles made of wool; textiles and textile goods.

2. The application is opposed by Mevlut Kaygusuz under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The opposition under sections 5(2)(b) and 5(3), which are directed against all of the goods in the application, are based upon all of the goods (shown below) in the following UK trade mark registration:

No. 2343296 for the trade mark: **OTTOMAN** which was applied for on 13 September 2003 and which completed its registration process on 25 June 2004:

Pillows; bolsters; cushions and mattresses; all included in Class 20.

Household textile articles; curtains; quilts; pillow cases; cushion covers; valances (draperies), all of textile materials; bed linen; bed quilts, quilt covers; all included in Class 24.

3. Mr Kaygusuz states that his trade mark has been used upon, and has a reputation in relation to, all of the goods upon which he relies. In relation to his opposition based upon section 5(2)(b) of the Act, he states:

STATEMENT OF CASE

1. THE OPPONENT, MEVLUT KAYGUSUZ IS THE DIRECTOR OF OTTOMAN TEXTILES LTD.
2. OTTOMAN TEXTILES LTD IS LICENCED TO USE THE TRADE MARK OTTOMAN
3. OTTOMAN TEXTILES LTD IS A BRITISH COMPANY INCORPORATED ON 21ST OCTOBER 1986 & HAS TRADED SINCE THAT TIME IN GOODS INCLUDING BED LINEN, QUILTS, PILLOW CASES, CUSHION COVERS, VALANCES & QUILT COBERS, PILLOWS & PILLOW SHAMS & TOWELS.
4. THE OPPOSED APPLICATION IS FOR CLASS 24 GOODS.
5. THE OPONENT TRADES IN IT'S GOODS UNDER THE MARK OTTOMAN, THIS MARK REPRESENTING SOME 5 - 10% OF AN APPROXIMATE £2 MILLION ANNUAL TURNOVER.
6. GENERALLY THE OPPONENT IS KNOWN IN THE TRADE SIMPLY AS OTTOMAN AND ITS GOODS AS OTTOMAN PRODUCTS.

4. In relation to his opposition based upon section 5(3) of the Act, Mr Kaygusuz provides the following answers to the following questions which appear in the Notice of opposition:

Q3. Is it claimed that the similarity between the reputed earlier trade mark and the later trade mark is such that the relevant public will believe that they are used by the same undertaking or think that there is an economic connection between the users of the trade marks?

Having answered “Yes” to this question, Mr Kaygusuz states:

OTTOMAN TEXTILES LTD HAS BEEN TRADING SINCE 1986 USING THE TRADE MARK OTTOMAN. GENERALLY IN THE TRADE WE ARE KNOWN SIMPLY AS OTTOMAN, AND OUR GOODS AS OTTOMAN PRODUCTS.

CUSTOMERS AND THE PUBLIC SEARCHING FOR OTTOMAN TEXTILE PRODUCTS ON LINE CAN EASILY BE MISTAKEN IN THINKING THAT THE GOODS ADVERTISED BY THE OPPOSED APPLICANT ARE OTTOMAN TEXTILE GOODS AS THEY ARE OF THE IDENTICAL CLASS.

WE HAVE BEEN QUESTIONED BY SOME OF OUR CUSTOMERS REGARDING THE ADVERTISING OF GOODS UNDER THE OPPOSED TRADE MARK.

THEY HAVE ASSUMED THAT THE GOODS BEING ADVERTISED UNDER THE OPPOSED TRADE MARK ARE OUR REPUTABLE PRODUCTS, BUT THIS IS NOT THE CASE.

Q4. Is there any other basis for your claim of unfair advantage? If so, please explain what the advantage would be to the holder of the later mark, and why it is unfair.

OTTOMAN TEXTILES LTD HAS BEEN TRADING SINCE 1986 USING THE TRADE MARK OTTOMAN. WE HAVE SPENT MANY YEARS PROMOTING AND ADVERTISING OUR PRODUCTS. MUCH EFFORT AND EXPENSE HAS BEEN PUT INTO BUILDING THE REPUTATION WE NOW HAVE IN THE TEXTILE TRADE. OTTOMAN PRODUCTS HAVE AN EXCELLENT REPUTATION FOR QUALITY WHICH HAS TAKEN MANY YEARS FOR US TO ACHIEVE.

IT WOULD BE AN UNFAIR ADVANTAGE FOR THE OWNER OF THE OPPOSED TRADE MARK TO SELL CLASS 24 GOODS USING THE TERM OTTOMAN AS THEY WOULD BE TRADING OFF A REPUTATION THEY HAVE NOT THEMSELVES EARNED.

Q5. Is there any other basis for your claim of detriment to the reputation of the earlier mark? If so, please explain what the detriment would be and how it would occur.

ALL OUR PRODUCTS ARE EXTENSIVELY TESTED TO MAKE SURE EVERYTHING WE SELL COMPLIES TO BRITISH SAFETY STANDARDS. THIS IS DONE AT GREAT EXPENSE TO THE COMPANY.

IF A PRODUCT IS BOUGHT FROM THE OWNER OF THE OPPOSED TRADE MARK BY A PERSON BELIEVING IT TO BE OUR PRODUCT IT MAY NOT HAVE BEEN TESTED OR COMPLY WITH BRITISH STANDARDS. THIS WILL DAMAGE THE REPUTATION WE HAVE EARNED OVER SEVERAL YEARS FOR GOOD QUALITY, SAFE PRODUCTS.

SIMILARLY, IF THE PRODUCT BOUGHT MISTAKENLY AS OURS IS NOT OF GOOD QUALITY, THIS WILL ALSO DAMAGE OUR REPUTATION.

WE DEAL WITH SEVERAL LARGE COMPANIES WHO INSIST ON EXCELLENT QUALITY STANDARDS AND TESTING CERTIFICATES. SHOULD WORD OF A SUBSTANDARD OR UNSAFE PRODUCT SOLD UNDER THE NAME OTTOMAN (MISTAKENLY PURCHASED AS OURS) BE HEARD BY ANY OF OUR CUSTOMERS IT WILL TARNISH THE REPUTATION WE HAVE SPEND MANY YEARS BUILDING UP.

5. In relation to his opposition based upon section 5(4)(a) of the Act, which is also directed against all of the goods in the application, Mr Kaygusuz relies upon use of the trade mark OTTOMAN throughout the UK since 13 September 2003 (on what he describes as goods in “Class 20, Class 24”). He states:

OUR PRODUCTS HAVE BECOME KNOWN AS OTTOMAN PRODUCTS OVER THE YEARS WE HAVE BEEN TRADING. A PERSON LOOKING FOR TEXTILE PRODUCTS ON AN INTERNET SITE ENGINE COULD EASILY BE CONFUSED AND ASSUME THAT PRODUCTS SOLD UNDER THE OPPOSED TRADE MARK COULD BE OUR PRODUCTS.

THIS IS AS IN THE CASE OF INTERFLORA V MARKS & SPENCER WHERE IT WAS FOUND THAT MARKS & SPENCER INFRINGED INTERFLORA'S TRADE MARKS. THIS WAS BECAUSE A SIGNIFICANT PROPORTION OF CONSUMERS WHO SEARCHED ON GOOGLE FOR INTERFLORA THEN SAW OR CLICKED ON M & S ADVERTS WHICH WERE DISPLAYED IN RESPONSE, BELIEVING INCORRECTLY THAT M & S FLOWER SERVICE WAS PART OF THE INTERFLORA NETWORK.

THIS WOULD BE CONSIDERED AS PASSING OFF AS THE CUSTOMER WOULD BE SPECIFICALLY LOOKING FOR OUR BRAND NAME BECAUSE OF THE EXCELLENT REPUTATION WE HAVE AS A COMPANY.

THE OWNER OF THE OPPOSED TRADE MARK SHOULD NOT BE ABLE TO PROFIT FROM SALES GAINED USING OUR NAME AND REPUTATION.

6. Mr Ashford filed a counterstatement in which he puts Mr Kaygusuz to proof of use. In relation to the opposition based upon section 5(2)(b) of the Act, he states:

Section A 5(2)(b)

We disagree that our goods are identical or similar to the Opponent's goods to the extent that a customer is confused or deceived. Our own research, as well as the "Statement of Case" (referred to in Q5) confirms that the Opponent specialises in bed-linen or bed related items. We specialise in hamam towels (85% of sales) and bath towels (10% of sales). There is zero material crossover, and an average customer could easily differentiate our Companies. An informed Trade customer would not be confused at all. We are obliged to classify our products under class 24, but any similarity between our Companies stops there. IPO literature on coexistence states that businesses can register and use similar trademarks in the same commercial sector as long as there is no confusion. We contest that there can be any actual confusion. Our goods are certainly not identical and the only similarity lies in the fact that they are both home textiles businesses. We have asked for proof of use so as to clearly establish on which goods the Opponent's mark "Ottoman" is actually used. (SEE CONTINUATION SHEET)

We do not deny that our mark "Ottoman Originals" uses the word "Ottoman". However we question how in an information-rich internet age this single word (a Google search on "ottoman" generates 10.8 million results) can still be held to be an exclusive mark. In such a context we argue that "first" person to trademark the word "ottoman" should not be the "only" person with a right to use the word, as long as protection exists and the customer is not misled. As stated earlier, and directly to the Opponent, our business proposition is sufficiently different that space easily exists to allow our mark to be registered. Our mark is used for a very narrow definition of goods, manufactured only in Turkey in a very specific way on very specific machines.

Our mark differs from the Opponent's mark (UK00002343296) in that it contains a device / logo and uses clear design elements such as font and colour. The same device is used on our main "Zarafet" mark (Application UK00003023448) and conceptually links the two. The two marks allow us to differentiate between traditional and artisanal production, and this is reflected in our packaging, promotional material and above all on our website. Our "Ottoman Originals" mark is the result of considerable creative and financial investment, and serves to support the very specific nature of the products we sell. The mark is visually and conceptually distinctive from the Opponent's own mark.

Despite putting Mr Kaygusuz to proof of use of his mark, in relation to the opposition based upon section 5(3) of the Act, Mr Ashford indicates that: "we do not dispute that the opponent's mark has a reputation" but goes on to argue that this should not preclude his mark: "from growing a reputation, as long as no customer confusion exists." He adds, inter alia, that: we are earning our own reputation for our own products and do not need to trade off a company whose products are in any case different." Finally, in relation to the opposition based upon section 5(4)(a) of the Act, Mr Ashford states, inter alia: "There is no wilful attempt on our part to pretend that our goods are in

fact the opponent's goods and we dispute that the opponent's business has in reality been harmed by our mark."

7. Both parties filed evidence. Neither party asked to be heard nor did they file written submissions in lieu of attendance at a hearing.

EVIDENCE

Mr Kaygusuz's evidence

8. This consists of a witness statement from Mr Kaygusuz, the Director of Ottoman Textiles Limited (hereafter "OTL"); he has held this position since October 1986. Mr Kaygusuz states that although he is the owner of the trade mark upon which he relies, he licences use of this trade mark to OTL. Exhibit 1 consists of an extract from the IPO's website (as at April 2013) which indicates that the trade mark was assigned from OTL to Mr Kaygusuz in August 2004 and that OTL was recorded as a licensee in the same month.

9. Mr Kaygusuz explains that OTL began manufacturing and trading in Manchester in 1986 in relation to: "textiles and soft furnishings, supplying supermarkets, wholesalers, chain stores, mail order companies and other retail outlets." He adds that: OTL "is a well known manufacturer and distributor of home textile products", and refers to www.ottomantextiles.com in this regard (although no pages from this website are provided). Mr Kaygusuz states that OTL has used the OTTOMAN trade mark on own brand products since its incorporation. Exhibit 2 is said to consist of: "product labels and packaging dating back to 1998." This exhibit shows use of the trade mark in the format shown below on what appears to be packaging for the following goods:



A duck feather cushion, duck feather pillows, quilted pillows, microfibre pillows, a V-shaped support pillow and cover (all bearing copyright dates of 2008 and a reference to "®OTTOMAN IS A REGISTERED TRADE MARK"), a goose feather and down duvet, a quilted waterproof fitted mattress protector, a box pillow, jacquard cushion covers, (all bearing copyright dates of 2009 and a reference to "®OTTOMAN IS A REGISTERED TRADE MARK"). Although this exhibit also contains use on packaging of the words ROYAL OTTOMAN (both in plain block capital letters and in a cursive script accompanied by a device above and below the words) in relation to a range of jacquard bed linen and, it appears, curtains, none of the pages provided are, as far as I can tell, dated.

10. Mr Kaygusuz goes on to state that OTL not only supplies OTTOMAN products for sale to the public but also sells customer specific home textile products, which can then be re-branded as the customer sees fit. He adds that:

“7...However, these products are nonetheless known by the purchasing retail outlets as OTTOMAN branded products originating from my company.”

11. Mr Kaygusuz states that OTL's products are sold to consumers via OTL's UK distribution outlet. Exhibit 3 consists of 13 "To whom it may concern" letters all dated March 2014 and all containing much the same wording. The letters indicate that the undertakings concerned i.e. MAS Textiles (PVT) Ltd (since 2000), Hangzhou Jinhong Sanniao Down Products Co Ltd (since 2011) and MLILY (since 2007) have either "supplied goods, labels and packaging bearing the mark OTTOMAN" [to Mr Kaygusuz/OTL] or "purchased goods bearing the mark OTTOMAN" [from Mr Kaygusuz/OTL] i.e. ULTIMATE RUG (since 2009), Milson Securities Limited (since 2000), LINENS direct (since 1998), W.Boyes & Co Ltd (since 2000), Alltex Home Furnishings Ltd (since 2005), Cheshatex Household Textiles (since 2008), century mills/K&G textiles (since 2000), Linens Ltd (since 2009), chiltern mills (since 2010) and Michael Guiney Limited (since 2005). All but one of the undertakings who are said to have purchased goods from Mr Kaygusuz/OTL have addresses in the UK.

12. Mr Kaygusuz states OTL's products have always been sold in connection with the OTTOMAN brand and this trade mark has always been present on item tags as well as prominently displayed on packaging and marketing material. Exhibit 4 is said to consist of product labels dating back to 2005. The word OTTOMAN is shown in the format above (with the enlarged letter O). The goods referred to are a cushion and tea towel. The copy of the care label for the tea towel contains, inter alia, a copyright date of 2005 and a reference to OTTOMAN being a registered trade mark. Exhibit 5 consists of another "To whom it may concern" letter dated March 2014 from seventy2design limited. The letter is signed by Andrew McDonald who states:

“I confirm having supplied Design Work, Labels, Packaging and Signage bearing the mark "Ottoman" to Mevlut Kaygusuz, Ottoman Textiles Ltd since 2009.”

Mr Kaygusuz states that prior to the above: "we commissioned a different company to provide the same services."

13. By reference to exhibits 6 and 7, Mr Kaygusuz provides details of the turnover of OTL in the UK from 1998 to 2013 and indicates what proportion of OTL's turnover represented sales made under the OTTOMAN trade mark. In the period 1998 to 2013, sales under the OTTOMAN trade mark are said to have been £3.8m with turnover during the relevant period i.e. 31 August 2008 to 30 August 2013 amounting to: 2008 - £212, 826, 2009 - £222,999, 2010 - £197,177, 2011 - £193, 465, 2012 - £211, 785 and 2013 - £184,869 i.e. a total of £1.2m (turnover prior to 31 August 2008 and after 30 August 2013 must, of course, be disregarded). Mr Kaygusuz concludes his statement in the following terms:

- 13) Moreover, my company's products are subject to a number of quality control checks and indeed, our customers demand such quality as part of their buying relationship. We have spent decades establishing a trustworthy brand which designates quality and value, and the use by a junior competitor of a highly similar brand on identical and similar products could serve to damage this reputation and in turn, damage the turnover and trade of my company, particularly if goods are of a lesser quality.
- 14) As mentioned above, as a result of the significant sales of my company's OTTOMAN branded products, consumers have been exposed to my company's brand on an extensive scale and my company has built up an enormous amount of goodwill and reputation in the products such that it would be associated exclusively by the public with my company.
- 15) It is my view that in light of the reputation of my company in the OTTOMAN mark, use by another company of the same material in the home textiles industry would cause confusion on the part of the public and would create in the mind of the public a commercial connection with my company which may be to the detriment of my company and its significant investment in this mark as a mark of origin.

Mr Ashford's evidence

14. This consists of a witness statement from Mr Ashford accompanied by 14 exhibits. The main points emerging from his statement are, in my view, as follows:

- Mr Ashford is the Director of Zarafet Ltd, which began trading on 1 October 2011;
- Zarafet is involved in the sale of hamam towels, bath towels and artisanal home textiles; all of the goods are of Turkish origin. Over 95% of Zarafet's sales are in relation to hamam towels and bath towels. The "Ottoman Originals" mark is only used on hamam towel products, and represented between 46% (October 2012 – September 2013) and 54% (1 October 2013 to date) of the total value of hamam towel sales (exhibit PA1 refers);
- The first "Ottoman Originals" branded hamam towel was launched in July 2013;
- Towels bearing the "Ottoman Originals" trade mark are positioned and marketed as a premium, artisanal product (exhibits PA3, 4, 5, 7 and 8 refer);
- Zarafet sells to the general public via the web and at exhibitions, shows and fairs in the UK. Exhibit PA9 consists of a range of events which have been or will be attended by Zarafet in 2014;
- Zarafet enjoys a reputation amongst customers, event organisers and media as a specialist retailer of hamam towels. Exhibit PA10 consists of invitations (dated 8

and 20 May 2014) received by Zarafet to attend shows in, inter alia, June and September 2014;

- Hamam towels are, in Mr Ashford's view, more correctly categorised as "holiday", "travel" or "resort wear" rather than "bath products". Exhibit PA11 consists of e-mails dated 6 June 2013 and 23 April 2014 from *Condé Nast Traveller* and *British Condé Nast Glamour* magazine, inviting Zarafet to advertise in the August 2013 and July 2014 edition of those publications which, in Mr Ashford's view, support his contention;
- Zarafet achieves a high ranking in Internet searches for hamam towel products (exhibits PA12 and 13 refer). Mr Ashford states that " ...my company is perceived as a "bath" related home textiles company."
- In a short space of time Zarafet has built up a reputation for quality products and excellent service. Exhibit PA14 consists of customer reviews of various "Ottoman Originals products", the vast majority of which are from 2014 and the earliest of which appears to date from 1 June 2013.

15. Mr Ashford concludes his statement in the following terms:

13. I set out the above paragraphs to evidence the points made here and in earlier documentation that my company's focus is on hamam towels and bath-based home textiles. Over 95% of my company's products are bath-related, and all "Ottoman Originals" branded products are bath-related (and are – as stated above - in fact perceived as a holiday/travel "accessory").

14. In the light of the above evidence it is my belief that our use of the "Ottoman Originals" mark does not cause the General Public to mistake my company for any other company engaged in the supply of home textile products, including bed-related products.

15. Accordingly, I respectfully request that our Application to register "Ottoman Originals" as a Trademark be approved given the highly specialised and non-conflicting use to which we put the mark. This is fully consistent with the reason for our original application and our future intentions for the mark once registered.

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

DECISION

17. The opposition is based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Act which read as follows:

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

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

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

(3) A trade mark which –

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

4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark. “

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

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

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

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

19. In these proceedings, Mr Kaygusuz is relying upon the trade mark shown in paragraph 2 above, which qualifies as an earlier trade mark under the above provisions.

As this trade mark completed its registration process more than 5 years before the publication date of the application in suit, it is subject to proof of use, as per section 6A of the Act. In his Notice of opposition, Mr Kaygusuz states that his earlier trade mark has been used upon all of the goods for which it stands registered, and in his counterstatement, Mr Ashford puts Mr Kaygusuz to proof of this claim. The relevant sections of the Act read as follows:

“6A 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 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).”

Section 100 of the Act is also relevant and reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Proof of use

20. Mr Kaygusuz states that his earlier trade mark have been used in relation to:

Pillows; bolsters; cushions and mattresses; all included in Class 20.

Household textile articles; curtains; quilts; pillow cases; cushion covers; valances (draperies), all of textile materials; bed linen; bed quilts, quilt covers; all included in Class 24.

21. In reaching a conclusion, I must apply the same factors as I would if I were determining an application for revocation of a trade mark registration based on grounds of non-use; the relevant period for present purposes is the five year period ending with the date of the publication of the application for registration i.e. 31 August 2008 to 30 August 2013. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch) Arnold J commented on the case law of the Court of Justice of the European Union (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]".

22. In considering Mr Kaygusuz's evidence, it is a matter of viewing the picture as a whole, including whether individual exhibits corroborate each other. In Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, in relation to the need to get a sense from the overall picture of the evidence, notwithstanding that individual pieces may not, of themselves, be compelling, the General Court ("GC") stated:

"53 In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (COLORIS, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P *Ferrero Deutschland v OHIM*, not published in the ECR, paragraph 36)."

In *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, BL O/404/13, Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, stated:

"21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. V. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not 'show' (per Section 100 of

the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

23. Although Mr Ashford appears to accept that the earlier trade mark has been used, what he takes issue with is the scope of the protection to which he considers it is entitled. In approaching Mr Kaygusuz’s evidence, I note that although he is the owner of the earlier trade mark, he licenses its use to OTL. As exhibit 1 to his statement confirms, inter alia, that OTL was recorded as a licensed user of the trade mark in August 2004, I am satisfied that any use by OTL is use with Mr Kaygusuz’s consent and is use upon which he is entitled to rely. In addition, as Mr Kaygusuz appears to be the controlling mind behind OTL, he is, as a consequence, well placed to provide the evidence he does. In his Notice of opposition, Mr Kaygusuz states:

“3. [OTL] ...has traded since that time in goods including bed linen, quilts, pillow cases, cushion covers, valances and quilt covers, pillows and pillow shams and towels.”

24. His evidence indicates that OTL have used the trade mark OTTOMAN since 1986 in relation to its own brand products which it sells to the general public and also to what appears to be those in the trade who may then rebrand them. Exhibits 2 and 4 to his statement shows use by OTL of the trade mark



on cushions, pillows, a duvet, a quilted waterproof fitted mattress protector, cushion covers and a tea towel. The pages provided bear copyright dates of 2005 in relation to a tea towel (which is outside the relevant period) and 2008 and 2009 (which is within the relevant period) in relation to the remainder of the goods. Also included in exhibit 2 are a number of pages which bear the trade mark ROYAL OTTOMAN in both block capital letters and in a cursive script accompanied by devices which appear above and below the words. The pages (all of which appear to be undated), relate to jacquard bed linen and, it appears, curtains.

25. Exhibit 3 consists of 13 “To whom it may concern” letters. The filing of evidence in trade mark proceedings is governed by rule 64 of the Trade Marks Rules 2008 which indicates that evidence should be in the form of a witness statement (accompanied by a statement of truth), affidavit or statutory declaration or in any other form which would be admissible as evidence in proceedings before the court. In *Duccio Trade Mark* (BL O343-09) the Appointed Person stated:

"There are two ways in which "to whom it may concern letters" can be introduced in Registry proceedings. First, the writer of the letter can provide a verifying

affidavit, statutory declaration or witness statement to which his or her letter is exhibited. Second, the party seeking to rely on the letter can provide an affidavit, statutory declaration or witness statement to which the third party letter is exhibited. In the first case, the letter is part of the writer's own evidence. In the second case, the letter is hearsay evidence admissible by virtue of section 1 of the 1995 Act."

The Act referred to is the Civil Evidence Act 1995 which provides:

"1. - Admissibility of hearsay evidence.

(1) In civil proceedings evidence shall not be excluded on the ground that it is hearsay.

(2) In this Act—

(a) "hearsay" means a statement made otherwise than by a person while giving oral evidence in the proceedings which is tendered as evidence of the matters stated; and

(b) references to hearsay include hearsay of whatever degree.

(3) Nothing in this Act affects the admissibility of evidence admissible apart from this section.

(4) The provisions of sections 2 to 6 (safeguards and supplementary provisions relating to hearsay evidence) do not apply in relation to hearsay evidence admissible apart from this section, notwithstanding that it may also be admissible by virtue of this section.

[...]

4. - Considerations relevant to weighing of hearsay evidence.

(1) In estimating the weight (if any) to be given to hearsay evidence in civil proceedings the court shall have regard to any circumstances from which any inference can reasonably be drawn as to the reliability or otherwise of the evidence.

(2) Regard may be had, in particular, to the following—

(a) whether it would have been reasonable and practicable for the party by whom the evidence was adduced to have produced the maker of the original statement as a witness;

(b) whether the original statement was made contemporaneously with the occurrence or existence of the matters stated;

(c) whether the evidence involves multiple hearsay;

(d) whether any person involved had any motive to conceal or misrepresent matters;

(e) whether the original statement was an edited account, or was made in collaboration with another or for a particular purpose;

(f) whether the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight."

Tribunal Practice Notice 5 of 2009 outlined the approach to be adopted in relation to hearsay evidence i.e.

"6. Hearing Officers will give hearsay evidence of this kind such weight as it deserves (as per section 4 of the Civil Evidence Act 1995), assessing each case on its own merits. Accordingly, hearsay evidence will not be discounted simply because it is hearsay. So, for example, substantial weight may be given to a hearsay statement made in letters or documents created around the time of the issue or event to which it relates. On the other hand, a Hearing Officer may decide to afford less weight to a hearsay statement made in a letter solicited by a party some time after an event, for the purpose of the proceedings, than he or she would have given to the same statement if it had been made in a witness statement and accompanied by a statement of truth. Further, if the person making such a hearsay statement had any motive to conceal or misrepresent matters, and the Hearing Officer decides that the circumstances in which the evidence is adduced as hearsay are such as to suggest an attempt to prevent proper evaluation of its weight, he or she may give the statement no weight at all.

7. A party filing a hearsay statement therefore runs the risk that the tribunal may assess its weight at a lower level than that which the party considers it should carry. Accordingly, unless it is impractical to do so, the best course of action is to file statements made specifically for the purposes of the proceedings in the form of a witness statement."

26. I have little doubt that if called upon to do so the individuals concerned could have filed witness statements containing the evidence they have given. However, there is nothing to suggest that the form in which the evidence was given represented an attempt by Mr Kaygusuz to conceal or misrepresent matters or is such as to suggest an attempt to prevent proper evaluation of the evidence. In addition, while all of the letters contain much the same wording none of the letters contain multiple hearsay and all are dated March 2014 i.e. within reasonable proximity to the material date in these proceedings. In short, as this evidence stands unchallenged, I intend to take these

letters into account in reaching a decision and to give them reasonable weight. Taken as a whole these letters indicate that three undertakings have been supplying goods, labels and packaging bearing the trade mark OTTOMAN to Mr Kaygusuz/OTL since as early as October 2000 and that nine undertakings (all in the UK) have purchased goods bearing the trade mark OTTOMAN from Mr Kaygusuz/OTL since as early as 1998.

27. Exhibit 5 is a further “To whom it may concern” letter to which the same considerations mentioned above apply. In it, Mr McDonald indicates that he has supplied design work, labels, packaging and signage bearing the “mark Ottoman” to Mr Kaygusuz/OTL since 2009. Exhibits 6 and 7 indicate that during the period 1998 and 2013, OTL achieved turnover under the OTTOMAN trade mark of some £3.8 with turnover in the relevant period amounting to some £1.2m.

28. Although far from perfect, when considered as a whole, Mr Kaygusuz’s unchallenged evidence indicates that he, through OTL, has been trading in a range of goods by reference to the word OTTOMAN since at least as early as 1998. With the exception of the use of the words ROYAL OTTOMAN mentioned above (the pages in relation to which are undated), the trade mark that has been used to identify those goods is that shown above. Although this differs from the form in which the mark is registered, I do not think the presentation of the mark with an enlarged letter “O” and in a black rectangular box with a white border realistically engages any of the concerns envisaged by section 46(2) of the Act. Turnover under the trade mark in the relevant period, which amounted to some £1.2m, clearly points to an undertaking engaged in a not insubstantial trade (particularly given the relatively low cost of the goods upon which use of the trade mark is claimed). As to the goods upon which the trade mark has been used, this is more problematic. I remind myself, that Mr Kaygusuz states that the trade mark has been used upon:

Pillows; bolsters; cushions and mattresses; all included in Class 20.

Household textile articles; curtains; quilts; pillow cases; cushion covers; valances (draperies), all of textile materials; bed linen; bed quilts, quilt covers; all included in Class 24.

In my view, the evidence he provides does not support this assertion. There is, for example, no use shown on “mattresses” in class 20. There is a further problem. As Mr Kaygusuz does not indicate what percentage of the turnover figures provided in relation to the OTTOMAN trade mark relate to which goods (nor does he even provide estimates in this regard), it is very difficult for me to determine whether genuine use has been made of the different categories of goods identified. In those circumstances, I could conclude that Mr Kaygusuz has not established in evidence that he has made genuine use of his OTTOMAN trade mark in relation to any of the goods upon which he relies. However, given the comments in case T-415/09 (mentioned above) and the totality of the evidence provided, that would, in my view, be unrealistic. In this regard, I note that in his counterstatement, Mr Ashford states that, inter alia, his own research:

“...confirms that the opponent specialises in bed-linen or bed related items.”

Based on the contents of exhibits 2 and 4, the only qualifying use that I can identify is in relation to: cushions, pillows, a duvet, a waterproof fitted mattress protector and cushion covers (although bolsters are not shown in the evidence, as they are a type of pillow, I think Mr Kaygusuz is also entitled to rely upon these goods as well).

29. In view of Mr Ashford’s admission, and as the vast majority of the evidence provided points to what Mr Ashford appears to accept is a trade in “bed related items”, I intend to proceed on the basis that Mr Kaygusuz/OTL has, on the basis of the evidence provided and on the balance of probabilities, made genuine use of his OTTOMAN trade mark on at least “pillows” and “bolsters” in class 20 and at least “quilts, pillow cases and bed quilts” in class 24. Having reached those conclusions, I now need to decide what constitutes a fair specification. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, the court stated the following in relation to determining what constitutes a fair specification:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The

court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant and read:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

In *Reckitt Benckiser (Espana), SL v OHIM*, Case T- 126/03 the Court of First Instance (now the GC) stated:

“45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or subcategories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the

category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

Finally, In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL-O-345/10, Mr Geoffrey Hobbs Q.C., sitting as the appointed person stated:

"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."

30. As I mentioned above, Mr Ashford refers to Mr Kaygusuz's/OTL's goods as being "bed related items". In my view, the specific goods upon which I have concluded Mr Kaygusuz/OTL may rely would be described by the average consumer as "bedding" as that would be the category of goods they would exemplify. Consequently, for the purposes of comparison, the specifications I shall use will be: "Bedding included in class 20/24".

Section 5(2)(b) – case law

31. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *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, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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 be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks 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.

The average consumer and the nature of the purchasing decision

32. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. Although Mr Kaygusuz also sells his goods to the trade (who may then rebrand them), the average consumer for the goods at issue is a member of the general public. As such a consumer is, as the evidence shows, most likely to select the goods at issue from a physical retail outlet or from the pages of a catalogue or website, visual considerations are likely to dominate the selection process; although not, I think, to the extent that aural considerations can be ignored. Although the cost of the goods at issue is unlikely to be high, the need for the average consumer to consider factors such as size, material, colour and compatibility with existing items, suggests that a reasonable level of attention will be paid during the selection process.

Comparison of goods

33. The competing goods are as follows:

Mr Kaygusuz's goods (following proof of use)	Mr Ashford's goods
Bedding in classes 20 and 24.	Textiles and textile goods, not included in other classes; Honeycomb materials [textiles]; Household textiles; Textiles for furnishings; Textiles for interior decorating; Textiles made of cotton; Textiles made of flannel; Textiles made of linen; Textiles made of satin; Textiles made of silk; Textiles made of synthetic materials; Textiles made of wool; textiles and textile goods.

34. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, in which the General Court (GC) stated:

“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).”

35. In reaching a conclusion, I note that collinsdictionary.com defines “furnishings” as “furniture and accessories, including carpets and curtains, with which a room, house, etc, is furnished” and “interior decoration” as “the colours, furniture, etc, of the interior of a house, etc.” As all of the goods in Mr Ashford’s specification would, in my view, encompass the goods upon which I have found Mr Kaygusuz has used his trade mark i.e. bedding in classes 20 and 24, they are all identical on the principles outlined in *Meric*.

36. However, that is not the end of the matter, as many of the broad terms in Mr Ashford’s specification may also include goods which are not similar to those upon which Mr Kaygusuz has established genuine use. The letter issued by the Tribunal to the parties when the proceedings were ready for substantive determination included the following paragraph:

The decision in relation to this case will be made on the basis of the evidence and/or submissions now accepted into the proceedings. The Hearing Officer will decide the case on the specification currently before him or her. If, however, the applicant considers it has a fall-back position in the form of a limited specification, it should make this clear to the Hearing Officer (i.e. a limited specification should not be submitted for the first time at any appeal hearing). This will not represent a binding restriction of the specification and no inference will be made, by the Hearing Officer, if such a limitation is, or is not, offered.

37. Notwithstanding that invitation, in his counterstatement and evidence, Mr Ashford states:

“we use the opposed mark...as a sub-brand, exclusively for products (mainly hamam towels)...” (counterstatement);

“We specialise in hamam towels (85% of sales) and bath towels (10% of sales)...” (counterstatement);

“3. The... mark is only used on hamam towel products” (witness statement);

“8...provide an opportunity to market “Ottoman Originals” branded hamam towels..” (witness statement);


“12...recent customer reviews for each type of “Ottoman Originals” hamam towel we sell” (witness statement);

“15. Accordingly, I respectfully request that our application...be approved given the highly specialised and non-conflicting use to which we put the mark” (witness statement).

38. Notwithstanding Mr Ashford’s failure to respond to the invitation mentioned above, the above statements constitute, in my view, a de facto request by him for the Tribunal to consider a fall-back specification. Given Mr Ashford’s comments to the effect that the “Ottoman Originals” trade mark is only used: “on hamam towels products” and that: “Consumer perception of hamam towels is as an “accessory” – not even a “bath” item”, it is on the basis of a fall back specification reading “Hamam towels in class 24” that I shall consider the position. The question I must determine is: are hamam towels in class 24 similar to bedding in classes 20 and 24? Although the users (the general public) and nature of the goods (what they are made from) may be the same, those points alone tell one little. The intended purpose and method of use of the competing goods are clearly different; they are not in competition with one another nor are they, at least as far as I am aware, complementary (at least in any meaningful way). One would not expect to find them sold in the same area of, for example, a department store or website. Bearing those conclusions in mind, there is, in my view, no meaningful similarity between Mr Kaygusuz’s bedding and Mr Ashford’s hamam towels. I will return to this point when I consider the likelihood of confusion later in this decision.

Comparison of trade marks

39. The trade marks to be compared are:

Mr Kaygusuz’s trade mark	Mr Ashford’s trade mark
OTTOMAN	

40. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as a whole and does not pause to analyse their various details. In addition, he rarely has the chance to make direct comparisons between 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 then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

41. As Mr Kaygusuz’s trade mark consists exclusively of the word OTTOMAN presented in block capital letters, there are no distinctive or dominant components; the distinctiveness and the overall impression his trade mark creates lies in the trade mark as a whole. As to Mr Ashford’s trade mark, this consists of the words Ottoman and Originals presented in title case in a slightly stylised but unremarkable font. The word

Ottoman is presented in brown and is the same size as and placed above the word Originals which, save for the initial letter O (which is presented in turquoise) is also presented in brown. To the right of these words is a device element consisting of two interlinking circular devices presented in the same colours as the initial letters O in the words Ottoman and Originals.

42. Collinsdictionary.com defines Ottoman as a noun meaning: (i) a low padded seat, usually armless, sometimes in the form of a chest, (ii) a cushioned footstool, (iii) a corded fabric and (iv) a member of a Turkish people who invaded the Near East in the late 13th century, and as an adjective meaning: (i)(history) of or relating to the Ottomans or the Ottoman Empire, and (ii) denoting or relating to the Turkish language.

43. Although the word OTTOMAN is, it appears, a type of corded fabric, I have no evidence as to how well known this meaning is to the average consumer. In my view, the average consumer is much more likely to understand this word as meaning either a low padded seat in the form of a chest, as a cushioned footstool or as a reference to the former Turkish Empire. Considered from that standpoint, the word Ottoman is, perhaps with the exception of textiles for furnishings (which would include padded seats and foot stools), likely to have allusive rather than descriptive qualities. As the word Original will be well known to the average consumer as meaning: “fresh and unusual, novel”, it is unlikely to have any distinctive character. Although the words Ottoman and Originals appear at the beginning of and occupy a significant proportion of the trade mark, the presence of the device element (which is clearly distinctive) makes a significant visual contribution to the trade mark as a whole. The overall impression created by Mr Ashford’s trade mark, stems, in my view, from the presence in it of the word Ottoman. Although Mr Ashford’s trade mark is presented in the colours brown and turquoise, I note that in *Specsavers International Healthcare Ltd & Others v Asda Stores Ltd* [2012] EWCA Civ 24 at [96] Kitchin LJ stated:

“A mark registered in black and white is, as this court explained in *Phones 4U* [2007] R.P.C. 5, registered in respect of all colours.”

This means that Mr Kaygusuz’s trade mark is registered in respect of all colours and could be used in any colour, including the same colours as Mr Ashford’s trade mark. As a consequence, the fact that Mr Ashford’s trade mark is presented in particular colours is not a point that assists him.

44. The presence of the device and the word Originals in Mr Ashford’s trade mark obviously serves to distance the competing trade marks when considered from a visual perspective. However, the fact that the overall impression created by both trade marks stems from the word OTTOMAN, still leads, in my view, to a relatively high degree of visual similarity between the competing trade marks. It is well established that when a trade mark consists of both word and device elements, it is by the word element that the average consumer is most likely to refer to the trade mark. Considered from that standpoint, Mr Ashford’s trade mark is, in my view, most likely to be referred to as Ottoman rather than Ottoman Originals. If I am right, the competing trade marks would

be aurally identical. However, even if I am wrong and Mr Ashford's trade mark is referred to as Ottoman Originals, the fact that the word Ottoman will be the first word articulated, still, in my view, results in a high degree of aural similarity between the competing trade marks. Although the word OTTOMAN is likely to convey a number of conceptual messages to the average consumer, as the inclusion of the word Originals in Mr Ashford's trade mark is unlikely to impact on any of these messages, the competing trade marks are, in my view, conceptually identical.

45. In summary, I have concluded that the competing trade marks are visually similar to a relatively high degree, conceptually identical and if not aurally identical, aurally similar to a high degree. Considered overall, the competing trade marks are, in my view, similar to a high degree.

Distinctive character of Mr Kaygusuz's earlier trade mark

46. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. Earlier in this decision I concluded that Mr Kaygusuz had made genuine use of his trade mark on bedding in classes 20 and 24. When considered in relation to these goods, his trade mark is, in my view, likely to have allusive rather than descriptive qualities and, as a consequence, an average degree of inherent distinctive character. However, given what is undoubtedly the significant size of the market for such goods in the UK, I am unable to conclude that despite the duration of use, that the quantum of use claimed (i.e. £3.8m in the period 1998 to 2013) is likely to have impacted on the market for such goods to such an extent that the inherent characteristics of Mr Kaygusuz's trade mark will have been enhanced, at least not to any extent that improves his position in these proceedings.

Likelihood of confusion

47. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of Mr Kaygusuz's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make

direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

Earlier in this decision, I concluded that:

- Mr Kaygusuz has made genuine use of his earlier trade mark on “Bedding” in classes 20 and 24;
- the average consumer of the goods at issue is a member of the general public who will select the goods by predominately visual means and who will pay a reasonable level of attention when doing so;
- the goods applied for by Mr Ashford are (on the principles outlined in *Meric*) identical to Mr Kaygusuz’s goods;
- the competing trade marks are, when considered overall, similar to a high degree;
- the earlier trade mark has an average degree of inherent distinctive character which has not, at least to any material extent, been improved upon by the use that has been made of it.

48. Given the identity in the goods and the high degree of similarity in the trade marks, I have no hesitation concluding that in relation to the broad range of goods applied for by Mr Ashford that there will be, at least, a likelihood of indirect confusion i.e. where the average consumer assumes the competing goods are from economically linked undertakings.

Conclusion under section 5(2)(b) of the Act in relation to the specification of goods as filed

49. Mr Kaygusuz’s opposition based upon section 5(2)(b) of the Act succeeds in relation to the specification of goods applied for by Mr Ashford.

Conclusion under section 5(2)(b) of the Act in relation to the fall-back specification of “Hamam towels in class 24”

50. Having already concluded that there is no meaningful similarity between Mr Kaygusuz’s “bedding” in classes 20 and 24 and a fall-back specification of “Hamam towels in class 24”, and as there must be at least some similarity in the competing goods to engage the test for the likelihood of confusion, it follows that the opposition against these specific goods must fail.

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

51. The principles to be applied when determining an objection under this ground were summarised by the Hearing Officer, Allan James, in BL O-488-13 as follows:

“The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, General Motors, [1999] ETMR 950, Case 252/07, Intel, [2009] ETMR 13, Case C-408/01, Addidas-Salomon, [2004] ETMR 10 and Case C-487/07, L’Oreal v Bellure [2009] ETMR 55 and Marks and Spencer v Interflora. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; General Motors, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; General Motors, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; Adidas Saloman, paragraph 29 and Intel, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks, the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; Intel, paragraph 42 28

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

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

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

(h) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure)."

52. As Mr Kaygusuz has already been successful in relation to the specification of goods applied for by Mr Ashford under section 5(2)(b) of the Act, I need only consider this ground insofar as it relates to the goods in the fall-back specification which I have concluded escapes objection i.e. "Hamam towels". Although I have concluded that Mr Kaygusuz has made genuine use of his trade mark, I also found that the extent of that use was insufficient for his trade mark to benefit from an enhanced distinctive character under section 5(2)(b) of the Act. Flowing from that conclusion, and notwithstanding Mr Ashford's comment to the effect that: "we do not dispute that the opponent's mark has a reputation", the use that Mr Kaygusuz has made of his trade mark falls, in my view, a long way short of establishing the sort of reputation mentioned in *General Motors*. Without such a reputation his objection based upon section 5(3) of the Act does not get off the ground and is dismissed accordingly.

Conclusion under section 5(3) of the Act

53. The opposition based upon section 5(3) of the Act fails and is dismissed.

The opposition based upon section 5(4)(a) of the Act

54. Here again, as Mr Kaygusuz has already been successful in relation to the specification of goods applied for by Mr Ashford under section 5(2)(b) of the Act, I need only consider this ground insofar as it relates to the goods in the fall-back specification which I have concluded escapes objection i.e. "Hamam towels." In reaching a conclusion, I note the comments of the Appointed Person, Mr Geoffrey Hobbs QC, in *Wild Child Trade Mark* [1998] RPC 455. In that decision Mr Hobbs stated:

"The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

'The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Material date

55. Trade mark and passing-off cases have to be considered in relation to (a) particular point(s) in time. A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993 (the regulation in relation to the Community trade mark). This was the subject of consideration by the GC in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which it stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429). 13 of 23

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has

acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.

56. It is necessary for Mr Kaygusuz to establish that at the date Mr Ashford applied to register his trade mark i.e. 29 July 2013, he (Mr Kaygusuz) had a protectable goodwill in relation to a business conducted under the sign upon which he relies. Consideration has also to be given to the position at the date that the behaviour complained of commenced as per *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9, if this is earlier than the date of application. This has to be considered when the trade mark the subject of the application has been used prior to the date of application. As Mr Ashford indicates in his witness statement that: “the first “Ottoman Originals” branded hamam towel was launched in July 2013” i.e. the same month as the application was filed, I intend to proceed on the basis that the date of the application is the date of the behaviour complained of and the sole material date for the purposes of these proceedings.

57. Mr Kaygusuz’s opposition under this ground is based upon the same trade mark relied upon under section 5(2)(b) of the Act i.e. the word OTTOMAN. Insofar as the goods relied upon are concerned, he refers to “class 20” and “class 24”. Having identified the actual goods upon which the evidence demonstrates Mr Kaygusuz has used his trade mark, and having already concluded that Mr Kaygusuz has made genuine use of his trade mark in relation to bedding, I shall proceed on the basis that at the material date in these proceedings his business conducted under the trade mark OTTOMAN enjoyed a protectable goodwill in relation to such goods i.e. bedding (based on the evidence provided, this would be the high point of Mr Kaygusuz’s case). If he does not succeed in relation to the broad term bedding, he will be in no better position in relation to the more limited range of goods upon which use has actually been shown.

58. Insofar as the other factors mentioned above are concerned, I begin by noting that there is no suggestion that Mr Ashford has acted improperly; rather, it appears that he chose his trade mark to evoke an association with the nature of the goods he sells under this trade mark i.e. those of a Turkish style/origin. Whilst Mr Kaygusuz has used his OTTOMAN trade mark for some time, the figures provided from 1998 to 2013 indicate that the extent of that use in that period (£3.8m) is, when considered in the context of the market in the UK for such goods, modest. Having concluded that the competing trade marks are similar to a high degree, I also concluded that (for the purpose of an objection based upon section 5(2)(b) of the Act) there was no meaningful similarity between the goods upon which Mr Kaygusuz has used his trade mark (and which for the purposes of an objection based upon section 5(4)(a) of the Act his business enjoys goodwill) and Mr Ashford’s hamam towels.

59. In actions for passing off there is, of course, no need for a common field of activity; the comments in *Lego System Aktieselskab and Another v Lego M. Lemelstrich Ltd* [1983] FSR 155 refer. However, in *Harrods v Harrodian School* [1996] RPC 697 the difficulty in establishing confusion where there is a distance between the fields of activities was considered by Millet LJ who stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services.”

In the same case Millet LJ held:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

60. Both parties operate, in broadly speaking, the field of textiles. However, in my view, the area of trade in which Mr Kaygusuz’s business enjoys goodwill and that of interest to Mr Ashford i.e. hamam towels are sufficiently distinct that the public will not suppose that Mr Kaygusuz has made himself responsible for the quality of Mr Ashford’s hamam towels. As there will, in my view, be no misrepresentation, there can be no damage to Mr Kaygusuz’s business and the opposition based upon section 5(4)(a) of the Act is dismissed accordingly.

Conclusion under Section 5(4)(a) of the Act

61. The opposition based upon section 5(4)(a) of the Act fails and is dismissed.

Overall conclusion on the specification of the application as originally filed

62. Mr Kaygusuz’s opposition based upon section 5(2)(b) in relation to the specification of goods applied for by Mr Ashford succeeds.

Overall conclusion on the fall-back specification

63. Mr Kaygusuz’s opposition to the fall-back specification of “Hamam towels in class 24” fails under section 5(2)(b), 5(3) and 5(4)(a) of the Act.

Next steps

What happens if Mr Ashford accepts the fall-back specification?

64. Mr Ashford is allowed 14 days from the date of this decision to consider the fall-back specification I have identified above. If he is prepared to accept the limited specification, he should, within the period allowed, file Form TM21B (copied to Mr Kaygusuz) to amend his application. Mr Kaygusuz will be then be allowed a period of 14 days from the date that he receives a copy of the Form TM21B from Mr Ashford, to provide comments. At the conclusion of that period, I will review the proceedings and issue a supplementary decision, which will deal with costs and in which a period will be set for appeal.

What happens if Mr Ashford does not accept the fall-back specification?

65. Mr Ashford should, within the period allowed, write to the Tribunal (copied to Mr Kaygusuz), providing an indication to that effect. On receipt of such an indication I will issue a supplementary decision in which I will refuse the application under section 5(2)(b) of the Act and in which I will deal with costs and appeal.

Dated this 13th day of October 2014

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