

O-066-15

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 3039982  
BY  
MATALAN LIMITED**

**TO REGISTER THE TRADE MARK**



**IN CLASSES 18, 25, 28 & 35**

**AND**

**AND OPPOSITION THERETO  
UNDER NO 402239  
BY ETRO S.P.A.**

## BACKGROUND AND PLEADINGS

1. On 30 January 2014, Matalan Limited (“the applicant”) applied to register a trade mark, as shown on the cover page of this decision. It was accepted and published in the Trade Marks Journal on 28 February 2014 in respect of the following goods and services:

Class 18: Bags made of leather; bags made of imitation leather; sports bags made of leather; sports bags made of imitation leather; trunks and travelling bags; travel cases; luggage; suitcases; hold-alls; portmanteaux; valises; bags; handbags; shoulder bags; rucksacks; backpacks; bum bags; sports bags; casual bags; satchels; beauty cases; wallets; purses; umbrellas; parasols; walking sticks; shooting sticks; parts and fittings for all the aforesaid goods.

Class 25: Clothing; footwear; headgear; articles of outerwear; underwear; sportswear; maternity wear; casual wear; coats; jackets; jumpers; cardigans; sweatshirts; articles of knitwear; t-shirts; sweaters; shirts; trousers; jeans; leggings; shorts; skirts; dresses; sports clothing; sports hats; sports footwear; sports shoes; gymnastic clothing; beach clothes; beach shoes; swimwear; swimsuits; bathing suits and bathing trunks; boots, shoes and slippers; hats; caps; earmuffs; sun visors; stoles; gloves; scarves and shawls; headbands; hosiery; stockings; tights; ties; cravats; belts (clothing).

Class 28: Games and playthings; gymnastic and sporting articles; balls for sports; bats for games; bats [sporting articles].

Class 35: Retail services, retail store services, mail order retail services and electronic or on-line retail services connected with the sale of trunks and travelling bags, travel cases, luggage, suitcases, hold-alls, portmanteaux, valises, bags, handbags, shoulder bags, toilet bags, carrier bags, rucksacks, backpacks, bum bags, sports bags, casual bags, satchels, beauty cases, wallets, purses, umbrellas, parasols, walking sticks, shooting sticks, clothing, footwear, headgear, articles of outerwear, underwear, sportswear, maternity wear, casual wear, coats, jackets, jumpers, cardigans, sweatshirts, articles of knitwear, t-shirts, sweaters, shirts, trousers, jeans, leggings, shorts, skirts, dresses, sports clothing, sports hats, sports footwear, sports shoes, gymnastic clothing, beach clothes, beach shoes, swimwear, swimsuits, bathing suits and bathing trunks, boots, shoes and slippers, hats, caps, earmuffs, sun visors, stoles, gloves, scarves and shawls, headbands, hosiery, stockings, tights, ties, cravats, belts, games and playthings, gymnastic and sporting articles, balls for sports, bats for games, bats; advertising services; marketing and promotional services; organisation, operation and supervision of sales and promotional incentive schemes and customer loyalty schemes; information, advisory and consultancy services all relating to the aforesaid services.

2. ETRO S.p.A. (“the opponent”) opposed classes 18, 25 and 35 of the application. The opposition is based on Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). This is on the basis of its earlier Community Trade Marks, numbers 405951 and

552356. The opposition relies upon the following goods which are covered by both of the earlier registrations:

Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Class 25: Clothing, footwear and headgear.

3. The opponent argues that the respective goods and services are identical or similar to their existing registrations, and that the marks are similar.

4. The applicant filed a counterstatement, denying a likelihood of confusion between the marks and putting the opponent to proof that they have made genuine use of their earlier registrations within the five year period ending on 28 February 2014, as per section 6A of the Act. The relevant five year period is 1 March 2009 to 28 February 2014.

## **EVIDENCE**

### **Opponent's evidence**

5. The opponent's evidence is given by Ms. Federica Cecchi of Perani & Partners SPA. Ms. Cecchi is Legal Counsel for an Italian law firm who represent the opponent. Ms. Cecchi does not have direct access to the opponent's records but states that the information and evidence filed "has been obtained from information held by, or on the records of, the Opponent". The purpose of the evidence is to prove use of the marks so that they can be relied upon in these proceedings.

6. Ms Cecchi provides turnover figures (duplicated below) and states the figures are "approximate UK annual turnover figures relating to goods sold under the 'Winged Flying Horse' Device trade marks (in classes 18 and 25) for the years 2008-2013":

<b>Year</b>	<b>Approximate UK annual turnover (€)</b>
2008	In excess of 1,600,000
2009	In excess of 1,200,000
2010	In excess of 1,100,000
2011	In excess of 1,700,000
2012	In excess of 2,100,000
2013	In excess of 1,700,000

7. Ms. Cecchi also provides "approximate UK annual spend on advertising and marketing campaigns/material as provided by the Opponent for the years 2010 to 2014":

<b>Year</b>	<b>Approximate UK annual spend (€)</b>
2010	In excess of 150,000
2011	In excess of 260,000
2012	In excess of 150,000

2013	In excess of 151,000
2014	In excess of 160,000

8. Ms. Cechhi attaches exhibit FC1 which are a large selection of sales invoices produced by the opponent. She states that the “invoices provided were issued to UK customers during the relevant period, and that they relate to the sale of items of clothing sold under the Opponents “Winged Flying Horse” Device trade marks.”.

9. All of the invoices are addressed to: Harrods Distribution & Adm, Cnt. Grant Way Off Syn Lane, Isleworth, Middlesex, TW7 5QD. The majority are within the relevant date, but some are not.

10. The invoices which are within the relevant date list the following goods:

Bags	Beauty cases	Bedcovers	Bedpsreads
Belts	Bermudas	Cardigans	Coats
Credit Card holders	Cushions	Dresses	Duster coats
Duvet sets	Folders	Hats	I-phone holders
Jackets	Jeans	Jersey sweaters	Outerwear
Overjacket	Polos	Ponchos	Scarves
Seawear	Shawls	Shirts	Shopping bags
Shoulder bags	Skirts	Sport coats	Square pockets
Suits	Sweaters	Sweater v-necks	Swimsuits
Swimwear	Throws	Ties	Tops
Travel bags	Trench coats	Trousers	Trousers
T-shirts	Vests	V-neck shirts	V-neck sweaters
Wallets	Window displays		

11. Each invoice bears Community Trade Mark number 552356 in the top left corner, with the word “Milano”. A duplication of this is below.



*Use outside of the relevant date*

12. There are 12 invoices which contain references to high value hats, wallets and variants of bags. 8 of the invoices are dated 2004 and 4 for 2005. There may be instances whereby use of the marks outside the relevant period may be taken into consideration. However, since these are 4 and 5 years earlier than the relevant period they cannot be taken into account.

**Applicant’s submissions**

13. The opponent filed evidence in these proceedings which is summarised above. The applicant filed written submissions rather than evidence. Therefore, in

accordance with Tribunal Practice Notice 2/2010, since no evidence was filed, there cannot be evidence in reply.

14. Both sides filed written submissions (in the case of the applicant this was the second set of submissions), which will not be summarised but will be referred to as and where appropriate during this decision.

15. No hearing was requested and so this decision is taken following a careful consideration of the papers.

## **DECISION**

### **The proof of use legislation and leading-case-law**

16. The earlier CTM must meet the use conditions in respect of the services relied on. The use conditions are set out in section 6A of the Act as follows:

“(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 [.....]”

(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 [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

17. Section 100 is also relevant, it 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.”

18. 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]"

19. The earlier mark is a CTM, therefore, in accordance with section 6A(5) of the Act, the earlier mark must have been put to genuine use in the EC (now known as the EU). In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 (“ONEL”) the CJEU stated in paragraphs 28 -31:

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

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

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

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

20. Regarding the territorial scope of the use, the CJEU went on to state in paragraphs 52 - 55:

“Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in

the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

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

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

### **The relevant period**

21. As per section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five period ending on the date of publication of the applied for mark, so, in these proceedings, the relevant period is 1 March 2009 to 28 February 2014.



### **Use of**

22. In the applicant's submissions it is stated that "CTM Registration Number 405951 should be struck out of the proceedings because no evidence of use has been filed in support of the mark". The opponent "strongly disagrees".


23. Use of a mark in a differing form can be sufficient to show use of the registration. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act as follows (paragraphs 33 and 34 refer):



"...The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...






The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."


24. Although these cases were decided before the judgment of the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, they remain sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered. The later judgment of the CJEU must also be taken into account where the mark is used as registered, but as part of a composite mark.

25. In the applicant's submissions they state that there is no evidence showing use of the mark .


26. The question is whether use of  constitutes use of . Applying the principle set out in *Nirvana I* I find that the sign presented as the trade

mark on the invoices is . The registered trade mark is . The distinctive character of the registered trade mark is the winged horse which is superimposed over the capital letter "E". The mark which is actually being used does include a winged horse, however it also includes the word ETRO. In my opinion, these differences do alter the distinctive character of the mark of the mark registered to the mark used.

27. Therefore, I find that the opponent may not rely upon  (no. 405951) since, as the applicant states, no evidence of use has been filed to prove genuine use.

Use of 

28. The applicant has not challenged whether use of  is sufficient to rely

upon their registration for  (no. 552356). Whilst the use is in conjunction with the word "Milano", the mark used shares the distinctive components of the mark as registered, i.e. the winged horse and the word "ETRO". The word "Milano" is likely to be viewed as where the company is based or the origin of the goods. This is common practice in the fashion industry, particularly where the

referred to place is regarded as a leading fashion city. Accordingly, use of “Milano” will not alter the distinctive character.

29. Furthermore, Section 6A(4)(a) states that 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. The registered mark itself is unaltered. There is no need to move on to consider whether the form used is an acceptable variant because the form used is the mark as registered. The word “Milano” is separate. This conclusion is supported by the CJEU’s ruling<sup>1</sup> in Case C-252/12, *Specsavers International Healthcare Ltd, Specsavers BV, Specsavers Optical Group Ltd, Specsavers Optical Superstores Ltd v Asda Stores Ltd*: In paragraphs 22 and 23 it was stated:

“For a trade mark to possess distinctive character for the purposes of Regulation No 207/2009, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (see, to that effect, Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble v OHIM* [2004] ECR I-5141, paragraph 32; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-311/11 P *Smart Technologies v OHIM* [2012] ECR I-0000, paragraph 23).

That distinctive character of a registered trade mark may be the result both of the use, as part of a registered trade mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark. In both cases, it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service at issue as originating from a given undertaking (see, by analogy, Case C-353/03 *Nestlé* [2005] ECR I-6135, paragraph 30).”



30. In view of the above, the opponent may only rely upon (registration no. 552356), and the remainder of this decision solely relates to this registration.

### **Applicant’s criticisms of the evidence**

31. The applicant raises the following criticisms of the evidence, each of which I have addressed below:

- 1) The evidence may have been compelling if it had come from an individual from within Etro S.p.A because an external Legal Counsel does not have first hand knowledge of the brand.**

32. Ms. Cecchi’s evidence is based upon information and materials provided to her by the opponent. Therefore, the evidence is hearsay and this must be borne in mind in terms of the weight that should be accorded to it. Ms. Cecchi provides turnover figures “relating to goods sold under the “Winged Flying Horse” Device trade marks

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<sup>1</sup> See also the CJEU’s ruling in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12.

(in classes 18 and 25) for the years 2008-2013 as provided by the opponent". These figures have not been challenged by the applicant.

33. Ms. Cecchi also provides "approximate UK annual spend on advertising and marketing campaigns/material as provided by the Opponent for the years 2010 to 2014". The applicant has not challenged these figures.

34. Section 4 of the Civil Evidence Act 1995 permits hearsay evidence in civil proceedings but provides the following guidance as to the weight to be accorded to such evidence:

"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."

35. Since the applicant has not challenged the evidence, whilst it is hearsay, there is no reason for me to question the veracity of the figures. Ms Cecchi does not have direct access to the Opponent's records, but states that her facts have been obtained from information held by, or on the records of, the Opponent. She must, therefore, have been given them by the Opponent and I see no reason to question them.

**2) All of the invoices are made out to one customer: Harrods. Therefore, they claim that the products were not sold to any other retailers.**

36. Whilst the invoices are for one customer in one country, it is reasonable for me to take judicial notice that Harrods is a large and well known department store in London. It is an extremely popular high end store which is visited by many UK and European wide customers.

37. In Case C-141/13 *P Reber Holding GmbH & Co. KG v Office for Harmonisation in the Internal Market (OHIM), Wedl & Hofmann GmbH* the CJEU stated in paragraphs 31 and 32:

“As a first stage, in paragraphs 33 and 37 of the judgment under appeal, the General Court held – having regard to the evidence produced by the appellant – that the actual commercial use of the earlier trade mark ‘Walzertraum’ was undisputed and that there was a certain degree of continuity in its use.

However, contrary to the view taken by the appellant, the assessment of the genuine use of an earlier trade mark cannot be limited to the mere finding of a use of the trade mark in the course of trade, since it must also be a genuine use within the meaning of the wording of Article 43(2) of Regulation No 40/94. Furthermore, classification of the use of a trade mark as ‘genuine’ likewise depends on the characteristics of the goods or service concerned on the corresponding market (Ansul, EU:C:2003:145, paragraph 39). Accordingly, not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question.”

38. I also refer to the decision of Ms Amanda Michaels (sitting as the Appointed Person) in *100% Capri* (BL O/357/14) where she stated in paragraph 19:

“Since then, and indeed since the hearing of the appeal, the CJEU has delivered its judgment in Case C-141/13, *Reber Holding GmbH & Co KG v OHIM*, 17 July 2014. In that case, an application for a CTM was opposed by the proprietor of a national mark which was put to proof of use of the mark. The evidence showed that the earlier mark had been used in relation to hand-made chocolates which had been sold only in one café in a small town in Germany. Sales of some 40-60 kg of chocolates per annum were shown, but given the overall size of the German market for confectionery and the lack of geographical spread of sales, the CJEU upheld the General Court’s finding that there had been no genuine use of the German mark. On the facts of the case, it might be thought that the CJEU had approved the application by the General Court of a stricter test of genuine use than in the earlier jurisprudence, and in particular *La Mer*, in which the CJEU had held that there was no ‘quantitative threshold’ to pass. However, in *Reber* the CJEU referred at [29] to that earlier jurisprudence, including *Ansul* and *La Mer*, and the need to consider all the circumstances of the case, and so it does not seem to me that the Court intended to diverge from its established approach to the assessment of genuine use.”

39. *Reber* is a very good example of commercial use that was neither sham nor token, but nevertheless was not genuine; it is therefore a clarification of the earlier case-law. The present case cannot be viewed in the same light as *Reber*. The turnover and advertising figures are significantly higher than extent of use in *Reber*.

Further, the sheer number of customers which Harrods has on a daily basis separates it from the circumstances in *Reber*.

40. Therefore, whilst in some instances use of a mark in one outlet may not be considered genuine, if the “one” outlet is the size and has the reach of Harrods this must be taken into account. The fact that the use has only been to Harrods does not count negatively against the opponent.

**3) The opponent does not provide any documentary evidence to support the advertising and turnover figures.**

41. The opponent has provided nearly 300 invoices (some of which are not within the relevant period), each of which bears the registration. Further, the invoices list a variety of goods.

**Overview of use**

42. The invoices do include references to various class 18 goods. More specifically they appear to have only sold 2 “bags” in 2012, 10 shopping bags between 2009 and 2013, 4 shoulder bags in 2009 and 2 travel bags in 2009. The quantities in which these goods are being sold (despite their high prices) are not sufficient to warrant genuine use. However, sales of 84 wallets and 99 credit card holders are sufficient, particularly since the goods are expensive.

43. The invoices show that in 2014 the opponent sold 6 hats. This is after the relevant period. However, even if these 6 hats were sold within the relevant period this would not constitute sufficient volume of sales (regardless of the price of the hats) to demonstrate genuine use of the mark.

44. The invoices do not make any reference to “footwear” within the relevant period. Therefore, there is no evidence relating to footwear. More specifically, none of the invoices make specific references to any forms of footwear.

45. There are a large number of invoices which refer to an array of clothing articles including, *inter alia*, cardigans, coats, dresses, jackets, shirts, trousers, (full list is in paragraph 10). Further, the turnover and advertising figures are high. It is unlikely that Harrods would purchase these goods and not then sell them on. Therefore, the taking the evidence as a whole the opponent has demonstrated genuine use.

46. Taking all the evidence together, I consider that the opponent’s turnover, advertising and corroborating invoices are sufficient to show use of their earlier mark. The next step is to decide whether the extent of use entitles the opponent to rely upon its registered specification of class 18 “leather and imitations of leather and goods made of these materials and not included in other classes” and class 25 “clothing”, which encompasses all types of clothing.

47. Mr Justice Arnold (as he now is) in his judgments as The Appointed Person in *Nirvana Trade Mark BL O-262-06* and *Extreme Trade Mark BL O-161-07* comprehensively examined the case law in this area. His conclusion in *Nirvana* was that:

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

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

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

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

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

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

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

48. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as Appointed Person summed up the law as being:

“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.”

49. The invoices refer to a range of different articles of clothing, including, *inter alia*, cardigans, coats, dresses, jackets, shirts, trousers, etc. I conclude that a fair specification which will “accord with the perceptions of the average consumer of the goods” would be “clothing”.

50. The opponent’s class 18 specification includes the broad term “leather and imitations of leather and goods made of these materials and not included in other

classes”. This term is sufficiently broad to cover the goods which the opponent has proven use, namely “credit card holders”.

51. In view of the above, the opponent has sufficiently proven use to rely upon:

Class 18: Credit card holders; wallets

Class 25: Clothing

**Decision: Legislation and case law - section 5(2)(b)**

52. Sections 5(2)(b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

53. 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.

### **Average consumer and the purchasing act**

54. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

55. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

56. The conflict relates to clothing, wallets and credit card holders. The average consumers of these goods are members of the general public. In this instance the cost of the goods are expensive and at the higher end of the market. However, I must assume that there will be notional and fair use of the mark, the respective parties may operate in the same sector, and the average consumer will be the same.



Notional and fair use dictates that clothing, wallets and credit card holders come at all price levels and the level of attention will fluctuate accordingly. Nevertheless, attention will still be paid to comfort, fit and quality and therefore a reasonable level of attention will be paid to the purchase by the average consumer.

57. As to how the average consumer selects such goods, in *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the GC stated in paragraph 50:

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

58. Since the goods at issue are most likely to be purchased following a process of self selection via retail outlets on the high street, catalogues or websites, I agree that visual considerations dominate the selection process. In accordance with the guidance set out *New Look*, greater weight should be given to the visual aspect. Whilst taking this view, I do not rule out aural use completely.

## **COMPARISON OF GOODS**

59. In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the Court stated at paragraph 23 of its judgment that:

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

60. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services
- c) The respective trade channels through which the goods or services reach the market

- d) In the case of self serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- e) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

61. As determined in paragraph 51, the opponent may only rely upon class 25 “clothing”. I shall now deal with the comparison of goods and services in turn:

**Class 25 v Class 25**

<b>Opponent’s Class 25 goods</b>	<b>Applicant’s Class 25 goods</b>
Clothing	Clothing; footwear; headgear; articles of outerwear; underwear; sportswear; maternity wear; casual wear; coats; jackets; jumpers; cardigans; sweatshirts; articles of knitwear; t-shirts; sweaters; shirts; trousers; jeans; leggings; shorts; skirts; dresses; sports clothing; sports hats; sports footwear; sports shoes; gymnastic clothing; beach clothes; beach shoes; swimwear; swimsuits; bathing suits and bathing trunks; boots, shoes and slippers; hats; caps; earmuffs; sun visors; stoles; gloves; scarves and shawls; headbands; hosiery; stockings; tights; ties; cravats; belts (clothing).

62. Goods can be considered as identical when the goods of the applied for mark fall within the ambit of broad terms in the earlier mark (see, for example, *Gerard Meric v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM) Case T-133/05 – “Meric”).

63. In this case, the opponent’s goods cover “clothing”. This broad term is considered to be identical to the following class 25 goods of the application:

Clothing; articles of outerwear; underwear; sportswear; maternity wear; casual wear; coats; jackets; jumpers; cardigans; sweatshirts; articles of knitwear; t-shirts; sweaters; shirts; trousers; jeans; leggings; shorts; skirts; dresses; sports clothing; gymnastic clothing; beach clothes; swimwear; swimsuits; bathing suits and bathing trunks; stoles; gloves; scarves and shawls; hosiery; stockings; tights; ties; cravats; belts (clothing).

64. The remaining goods<sup>2</sup> can broadly be regarded as footwear and headgear, and I shall refer to them as such.

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<sup>2</sup> footwear; headgear; sports hats; sports footwear; sports shoes; beach shoes; boots, shoes and slippers; hats; caps; earmuffs; sun visors; headbands

65. Headgear and footwear are similar in nature and purpose, are targeted at the same end consumers, manufactured by the same companies and distributed through the same channels. In my view, they are highly similar. I am reinforced in this view by *Giordano Enterprises Ltd v Office for OHIM* in which the GC said at paragraph 20:

*“As the Court has held in previous cases, in view of the sufficiently close links between the respective purposes of ‘clothing’ and ‘footwear’, which are identifiable in particular by the fact that they belong to the same class, and the specific possibility that they can be produced by the same operators or sold together, it may be concluded that those goods may be linked in the mind of the relevant public.”*

66. The court concluded in the same paragraph of its judgement that: “...‘clothing’ and ‘footwear’ must therefore be regarded as similar within the meaning of Article 8(1)(b) Regulation No. 40/94”. In my view, the same must also apply to “headgear”.

**67. Taking all of these factors into account I conclude the following goods are identical** “Clothing; articles of outerwear; underwear; sportswear; maternity wear; casual wear; coats; jackets; jumpers; cardigans; sweatshirts; articles of knitwear; t-shirts; sweaters; shirts; trousers; jeans; leggings; shorts; skirts; dresses; sports clothing; gymnastic clothing; beach clothes; swimwear; swimsuits; bathing suits and bathing trunks; stoles; gloves; scarves and shawls; hosiery; stockings; tights; ties; cravats; belts (clothing)” **and the remaining goods are highly similar, namely:** “Footwear; headgear; sports hats; sports footwear; sports shoes; beach shoes; boots, shoes and slippers; hats; caps; earmuffs; sun visors; headbands”.

#### **Classes 18 & 25 v Class 18**

<b>Opponent's Class 18 25 goods</b>	<b>Applicant's Class 18 goods</b>
Wallets; credit card holders; clothing	Bags made of leather; bags made of imitation leather; sports bags made of leather; sports bags made of imitation leather; trunks and travelling bags; travel cases; luggage; suitcases; hold-alls; portmanteaux; valises; bags; handbags; shoulder bags; rucksacks; backpacks; bum bags; sports bags; casual bags; satchels; beauty cases; wallets; purses; umbrellas; parasols; walking sticks; shooting sticks; parts and fittings for all the aforesaid goods.

68. Both parties' specifications include the term “wallets”, therefore these goods are identical.

69. The intended purpose of wallets is to carry small personal belongings such as money, credit cards, etc. Credit card holders, by their very description, are intended to carry credit cards. Purses share the same purpose as wallets and credit card holders, they are similar in nature and made from the same materials. Therefore, I find that wallets and credit card holders are highly similar to purses.

### *Wallets & credit card holders v handbags and shoulder bags*

70. The intended purpose of handbags and shoulder bags are the same as wallets and credit card holders, albeit on a slightly larger scale. Whilst the goods are not in competition or complement one another, I find that they are similar to a moderate degree. Since the broad terms “bags made of leather” and “bags made of imitation leather” cover “handbags” and “shoulder bags” they are also similar. However, this can be overcome by limiting the broad terms accordingly.

### *Wallets & credit card holders v the remaining class 18 goods*

71. Since the remaining goods differ in intended purpose, nature and are not in competition or complement one another, I do not consider wallets and credit card holders to be similar to the remaining class 18 goods.

### *Class 25 clothing v class 18*

72. A complementary relationship can exist between clothing in class 25 (as covered by the earlier mark) and certain goods in class 18. In *El Corte Inglés SA v OHIM* (Case T-443/05) the GC considered the clash between goods in classes 18 and 25, stating in paragraphs 42-51:

“First, the goods in class 25 and those in class 18 are often made of the same raw material, namely leather or imitation leather. That fact may be taken into account when assessing the similarity between the goods. However, given the wide variety of goods which can be made of leather or imitation leather, that factor alone is not sufficient to establish that the goods are similar (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 55).

Second, it is apparent that the distribution channels of some of the goods at issue are identical. However, a distinction must be made according to whether the goods in class 25 are compared to one or other of the groups of goods in class 18 identified by OHIM.

On the one hand, as regards the second group of goods in class 18 (leather and imitations of leather, animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery), the Board of Appeal rightly held that the distribution channels were different from those used for the distribution of goods in class 25. The fact that those two categories of goods may be sold in the same commercial establishments, such as department stores or supermarkets, is not particularly significant since very different kinds of goods may be found in such shops, without consumers automatically believing that they have the same origin (see, to that effect, Case T-8/03 *El Corte Inglés v OHIM – Pucci (EMILIO PUCCI)* [2004] ECR II-4297, paragraph 43).

On the other hand, as regards the first group of goods in class 18, namely leather and imitation leather goods not included in other classes such as, for example, handbags, purses or wallets, it should be noted that those goods

are often sold with goods in class 25 at points of sale in both major retail establishments and more specialised shops. That is a factor which must be taken into account in assessing the similarity of those goods.

It must be recalled that the Court has also confirmed the existence of a slight similarity between 'ladies' bags' and 'ladies' shoes' (SISSI ROSSI, paragraph 42 above, paragraph 68). That finding must be extended to the relationships between all the goods in class 25 designated by the mark applied for and the leather and imitation leather goods not included in other classes, in class 18, designated by the earlier mark.

In light of the foregoing, it must be held that there is a slight similarity between the goods in class 25 and the first group of goods in class 18. Consequently, the Board of Appeal could not conclude that there was no likelihood of confusion on the part of the relevant public solely on the basis of a comparison of the goods concerned.

As to whether clothing, footwear and headgear in class 25 are complementary to 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18, it must be recalled that, according to the case-law, goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods lies with the same undertaking (SISSI ROSSI, paragraph 42 above, paragraph 60).

Goods such as shoes, clothing, hats or handbags may, in addition to their basic function, have a common aesthetic function by jointly contributing to the external image ('look') of the consumer concerned.

The perception of the connections between them must therefore be assessed by taking account of any attempt at coordinating presentation of that look, that is to say coordination of its various components at the design stage or when they are purchased. That coordination may exist in particular between clothing, footwear and headgear in class 25 and the various clothing accessories which complement them such as handbags in class 18. Any such coordination depends on the consumer concerned, the type of activity for which that look is put together (work, sport or leisure in particular), or the marketing strategies of the businesses in the sector. Furthermore, the fact that the goods are often sold in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the perception that the same undertaking is responsible for the production of those goods.

It is clear that some consumers may perceive a close connection between clothing, footwear and headgear in class 25 and certain 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18 which are clothing accessories, and that they may therefore be led to believe that the same undertaking is responsible for the production of those goods. Therefore, the goods designated by the mark

applied for in class 25 show a degree of similarity with the clothing accessories included in 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18 which cannot be classified as slight."

73. In view of the above case law, it is clear that given the aesthetic appeal of handbags and shoulder bags they are often purchased to create a coordinated look which will match/complement the clothing. I am aware that it is not unusual for manufacturers of clothing to also trade in items for the purpose of complementing their clothing lines. Accordingly the trade and distribution channels are likely to be the same. Therefore, I conclude the following:

- Clothing are similar to handbags to a moderate degree;
- Clothing is also similar to shoulder bags to a moderate degree since they are, in essence, handbags with a strap.

74. The same findings will extend to the broad terms which include handbags and shoulder bags. A simple exclusion of handbags and shoulder bags removes such similarity from the broad terms.

75. The remaining goods<sup>3</sup> (subject to an appropriate limitation of the broad term) are not complementary or in competition with clothing. Therefore, only the above mentioned goods are considered to be similar to "clothing".

#### **Classes 18 & 25 v Class 35**

<b>Opponent's Classes 18 &amp; 25 goods</b>	<b>Applicant's Class 35 services</b>
Wallets, credit card holders Clothing	Retail services, retail store services, mail order retail services and electronic or on-line retail services connected with the sale of trunks and travelling bags, travel cases, luggage, suitcases, hold-alls, portmanteaux, valises, bags, handbags, shoulder bags, toilet bags, carrier bags, rucksacks, backpacks, bum bags, sports bags, casual bags, satchels, beauty cases, wallets, purses, umbrellas, parasols, walking sticks, shooting sticks, clothing, footwear, headgear, articles of outerwear, underwear, sportswear, maternity wear, casual wear, coats, jackets, jumpers, cardigans, sweatshirts, articles of knitwear, t-shirts, sweaters, shirts, trousers, jeans, leggings, shorts, skirts, dresses, sports clothing, sports hats, sports footwear, sports shoes, gymnastic clothing, beach clothes, beach shoes, swimwear, swimsuits, bathing suits and bathing trunks, boots, shoes and slippers, hats, caps, earmuffs, sun visors, stoles, gloves, scarves and shawls, headbands, hosiery, stockings, tights, ties, cravats, belts, games and playthings, gymnastic and sporting articles, balls for

<sup>3</sup> Bags made of leather; bags made of imitation leather; sports bags made of leather; sports bags made of imitation leather; trunks and travelling bags; travel cases; luggage; suitcases; hold-alls; portmanteaux; valises; bags; rucksacks; backpacks; bum bags; sports bags; casual bags; satchels; beauty cases; wallets; purses; umbrellas; parasols; walking sticks; shooting sticks; parts and fittings for all the aforesaid goods.

	sports, bats for games, bats; advertising services; marketing and promotional services; organisation, operation and supervision of sales and promotional incentive schemes and customer loyalty schemes; information, advisory and consultancy services all relating to the aforesaid services.
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76. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court stated that “complementary” means:

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

77. In *Sanco SA v OHIM*, Case T-249/11, the General Court indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes.”

Whilst on the other hand:

“.....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

78. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the General Court held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree. In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

“The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of

confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are 'similar' to goods are not clear cut."

79. However, on the basis of the European courts' judgments in *Sanco SA v OHIM*<sup>4</sup>, and *Assembled Investments (Proprietary) Ltd v. OHIM*<sup>5</sup>, upheld on appeal in *Waterford Wedgewood Plc v. Assembled Investments (Proprietary) Ltd*<sup>6</sup>, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for goods and a mark proposed to be registered for retail services (or vice versa), it is necessary to envisage the retail services normally associated with the opponent's goods and then to compare the opponent's goods with the retail services covered by the applicant's trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

80. In *Frag Comercio Internacional, SL, v OHIM*, Case T-162/08, the General Court held that a registration for 'retail services', which did not identify the kinds of goods covered by the services, was too vague to permit a proper comparison to be made between those services and the goods covered by the later mark. It was not therefore possible to determine that the respective services and goods were similar.

81. The earlier mark covers clothing, wallets and credit card holders. Therefore, in accordance with *Oakley I* I find that retail services for the following goods are similar to a moderate degree:

Retail services, retail store services, mail order retail services and electronic or on-line retail services connected with the sale of wallets, clothing, articles of outerwear, underwear, sportswear, maternity wear, casual wear, coats, jackets, jumpers, cardigans, sweatshirts, articles of knitwear, t-shirts, sweaters, shirts, trousers, jeans, leggings, shorts, skirts, dresses, sports clothing, sports hats, gymnastic clothing, beach clothes, swimwear, swimsuits, bathing suits and bathing trunks, earmuffs, stoles, gloves, scarves and shawls, hosiery, stockings, tights, ties, cravats, belts,

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<sup>4</sup> Case C-411/13P

<sup>5</sup> Case T-105/05, at paragraphs [30] to [35] of the judgment

<sup>6</sup> Case C-398/07P



*Clothing v Retail services...with the sale of footwear, sports footwear*

82. I next consider “footwear, sports footwear”. The terms “footwear and sports footwear” can include socks which are a form of clothing and with the former it may also include tights. . On the basis of the case law above, there is a clear degree of complementarity between the opponent’s clothing and the applicant’s “retailing of footwear, sports footwear”. Nevertheless, the nature, purpose and method of use of the aforementioned goods are different to the applicant’s retail services. Further, the respective goods and services are not in competition. Therefore, there is only a low degree of similarity between these goods and the applicant’s services. The low degree of similarity would be removed altogether if the “retailing of footwear and sports footwear” was excluded from the applicant’s retail services.

*Clothing v Retail services...with the sale of sports shoes, beach shoes, shoes and slippers*

83. There is a degree of complementarity between the opponent’s clothing and the applicant’s “retailing of sports shoes, beach shoes, shoes and slippers”. However, as with “footwear” *per se*, the nature, purpose and method of use of clothing differ to the applicant’s retail services, plus they are not in competition. Therefore, whilst there is a degree of similarity between the “retailing of sports shoes, beach shoes, shoes and slippers” and clothing, this is at the bottom end of the scale.

*Clothing v Retail services...with the sale of, sports hats, hats, caps, earmuffs, sun visors, headbands*

84. I next consider “headgear, sports hats, hats, caps, earmuffs, sun visors, headbands,” which I shall collectively refer to as headgear. On the basis of *Oakley*, there is therefore a clear degree of complementarity between the opponent’s clothing and the applicant’s “retailing of headgear, sports hats, hats, caps, earmuffs, sun visors, headbands”. The nature of the goods are similar since headgear and clothing are used to cover the body and are often purchased based on their aesthetic appeal and practical use. However, the respective goods and services are not in competition. Therefore, whilst there is a similarity this is considered to be low.

*Clothing v Retail services...with the sale of, bags per se*

85. In relation to the comparison between the opponent’s clothing and the applicant’s retailing of bags there is no similarity within the parameters of the case law. Even though the GC has held that there is a certain (average) similarity between clothing and bags (in *El Corte Inglés SA v OHIM*, Case T- 443/05 and *Gitana SA v OHIM*, Case T-569/11) on account of aesthetic harmony, this is on the basis of complementarity and channels of trade. The comparison here is further removed: it is not between clothing and bags, but is between clothing and retailing of bags. I also find that since wallets and credit card holders are not similar to bags, it cannot follow that the retailing of bags would be similar.

*Wallets; credit card holders v Retail services...with the sale of handbags, shoulder bags*

86. Earlier I find that wallets and credit card holders are moderately similar to handbags and shoulder bags. These goods are likely to be sold alongside handbags and shoulder bags, and likely to be the subject of the same retail services and handbags and shoulder bags. Therefore there is a degree of complementarity between on the one hand the retailing of handbags and shoulder bags and, on the other hand, wallets and credit card holders. Nevertheless, the nature, purpose, and method of use of wallets are different to these retail services. Further, the respective goods and services are not in competition. Therefore, there is only a low degree of similarity between the respective goods and associated retail services.

87. Since the remaining goods do not generally complement clothing *per se* and/or “wallets; credit card holders”, I find that there is no level of similarity between these and the following:

Retail services, retail store services, mail order retail services and electronic or on-line retail services connected with the sale of trunks and travelling bags, travel cases, luggage, suitcases, hold-alls, portmanteaux, valises, bags, handbags, shoulder bags, toilet bags, carrier bags, rucksacks, backpacks, bum bags, sports bags, casual bags, satchels, beauty cases, umbrellas, parasols, walking sticks, shooting sticks,

88. In view of *Oakley* I find that there is no level of similarity between “clothing” and/or “wallets; credit card holders” with “retail of games and playthings, gymnastic and sporting articles, balls for sports, bats for games, bats”

***Clothing, wallets and credit card holders v Class 35 Advertising services; marketing and promotional services; organisation, operation and supervision of sales and promotional incentive schemes and customer loyalty schemes; information, advisory and consultancy services all relating to the aforesaid services.***

89. The earlier right covers clothing, wallets and credit card holders whereas these services are provided for third parties via different channels. Whilst the average consumer of clothing is the public at large, these services would be offered to business owners via different channels. They are specialist services which do not complement clothing. Therefore, there is no degree of similarity between clothing and these services.

### **Distinctive character of the earlier trade mark**

90. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based on either inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated in paragraphs 22 and 23:

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the

goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

91. The opponent has stated that their annual turnover over the last five years ranges from €1.1m to €2.1m per annum. The UK clothing sector is a multi billion euro/pounds industry. Therefore, whilst turnover figures of around €2m indicate a successful business, in relation to the overall size of the market they are far from sufficient to justify enhanced distinctive character. Therefore, the opponent has not provided evidence showing that the distinctiveness of its mark has been enhanced through use.

92. From an inherent perspective, the opponent's mark does not allude to or describe the goods that it may rely upon. Further, there is no evidence that winged horse devices are commonly used in the trade, though from my own knowledge many fashion companies use a logo (including animals) in conjunction with a word.

93. In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said at paragraphs 38 -40:

"The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the

distinctive character of the earlier mark lie?’ Only after that has been done can a proper assessment of the likelihood of confusion be carried out”.



94. In this case the word ETRO has no English meaning. Further, it does not allude to a characteristic of the goods. With regard to the winged horse device, this is an unusual device to use on clothing. Accordingly, since the earlier mark comprises of an invented word and a winged horse device, I consider that the inherent distinctiveness is high.

### Comparison of marks

95. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

96. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks are:

Opponent's mark	Applicant's mark
	

97. In this instance the earlier mark clearly comprises of two distinctive elements, i.e. 1) the winged horse and 2) the invented word ETRO. The “winged horse” device has equal dominance to the word “ETRO”.

98. In the applicant's submissions of 1 December 2014, it is stated in paragraph 17 that:

“Visually the respective marks are very different. The Applicant’s Trade Mark consists of a highly stylised Winged Horse facing towards the right. The horse is standing on its two rear legs and the front legs are both reared and its mane and tail are spiky and standing. The horse is not flying”

99. The applicant’s observations require me to make a detailed analysis of each mark. Consumers are not in a position to conduct such an analysis, but must instead rely upon imperfect recollection<sup>7</sup>. What the average consumer will remember is “the overall impression made on the target public by the sign for which registration is sought”<sup>8</sup>.

100. The minor considerations raised by the applicant would, in my view, go unnoticed. There is a medium degree of visual similarity.

101. From an aural perspective, the opponent’s mark would be verbalised as “ETRO”. The applicant’s mark would be described as a “winged or flying horse” or possibly “Pegasus”. Therefore, there is no aural similarity.

102. Conceptually, whilst the opponent’s mark includes the invented word “ETRO”, it nevertheless does contain a similar winged horse device which is likely to be brought to the mind’s eye. Therefore, there is a medium degree of conceptual similarity as this is the only concept in the applicant’s mark.

103. In view of the above, I am of the opinion that the marks are similar to an above average degree.

### **Global Assessment – conclusions on likelihood of confusion**

104. In assessing the likelihood of confusion, I must take a number of factors into consideration.

105. In *Bimbo SA v OHIM*, Case T-569/10, the General Court held that:

“96. According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60).”

106. *Medion AG v Thomsonmultimedia Sales Germany & Austria GmbH*, Case 120/04 provides key guidance on how to approach issues of similarity involving composite marks, as follows (paragraphs 29 -36 refer):

<sup>7</sup> *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97

<sup>8</sup> paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*

“In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.”

107. In *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), Arnold J. stated in paragraphs 47 and 48:

“In my view the principle which I have attempted to articulate in [45] above is capable of applying where the consumer perceives one of the constituent parts to have significance independently of the whole, but is mistaken as to that significance. Thus in *Bulova Accutron* the earlier trade mark was ACCURIST and the composite sign was BULOVA ACCUTRON. Stamp J. held that consumers familiar with the trade mark would be likely to be confused by the composite sign because they would perceive ACCUTRON to have significance independently of the whole and would confuse it with ACCURIST.

On that basis, I consider that the hearing officer failed correctly to apply *Medion v Thomson*. He failed to ask himself whether the average consumer would perceive UVEDA to have significance independently of DABUR UVEDA as a whole and whether that would lead to a likelihood of confusion.”

108. Earlier in this decision I concluded that:

- The respective class 25 goods are either identical or highly similar.
- The respective class 18 “wallets” are identical. Wallets and credit card holders are highly similar to purses, and moderately similar to handbags and shoulder bags.
- The opponent’s class 25 clothing are moderately similar to class 18 handbags and shoulder bags. The remaining class 18 goods are not similar to clothing.
- Some of the class 35 services are similar, but only to a low degree.
- The inherent distinctiveness of the opponent’s mark is high.
- The average consumer is a member of the general public who will select the goods following a visual inspection. More weight should be given to the visual consideration.
- The respective trade marks have: 1) a medium degree of conceptual similarity, 2) no aural similarity, and 3) medium degree of visual similarity

109. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10, Mr Iain Purvis Q.C. as the Appointed Person noted in paragraphs 16 and 17 that:

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

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

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

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

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

110. Taking all of the above factors into consideration, I find that there is no likelihood of direct confusion (where one mark is mistaken for the other). However, I am of the opinion that there is a likelihood of indirect confusion/association whereby the consumer notices that the marks are different but nevertheless assumes, in light of the similarities between them, that the respective goods emanate from the same or linked undertaking(s).

111. The common element of each mark is a “winged horse” which I have concluded to be of high distinctive character. Therefore, once an average consumer has encountered this “winged horse” with the word “ETRO”, but then encounters a very similar (nearly identical) “winged horse”, my view is that the “average consumer” would assume that no-one else but the brand owner would be using it as a trade mark at all (*L.A. Sugar*). This is particularly the case since the goods in question are predominantly a visual purchase.

112. In view of the above, I am of the opinion that there is a likelihood of indirect confusion between the opponent’s goods and all of the applied for class 25 goods, plus class 18 “handbags; shoulder bags; wallets and purses”.

113. In respect of class 35, the opposition succeeds against the retailing of the goods which are covered by “class 25”, plus “handbags; shoulder bags; wallets and purses”. As stated in paragraph 77 the case law does not extend to similarity between “clothing” and the “retailing of handbags and shoulder bags”, so the likelihood of confusion stems from “wallets and credit card holders” rather than “clothing”.

114. For the reasons set out in paragraph 89, there is also no likelihood of confusion between clothing and the outstanding Class 35 services which do not cover retailing of various goods.



## Outcome

115. I find that the opposition has been successful against the following goods and services:

Class 18 “Handbags; shoulder bags; wallets and purses”

Class 25 in its entirety

Class 35 “Retail services, retail store services, mail order retail services and electronic or on-line retail services connected with the sale of wallets, purses, handbags, shoulder bags, clothing, footwear, headgear, articles of outerwear, underwear, sportswear, maternity wear, casual wear, coats, jackets, jumpers, cardigans, sweatshirts, articles of knitwear, t-shirts, sweaters, shirts, trousers, jeans, leggings, shorts, skirts, dresses, sports clothing, sports hats, sports footwear, sports shoes, gymnastic clothing, beach clothes, swimwear, swimsuits, bathing suits and bathing trunks, hats, caps, earmuffs, sun visors, stoles, gloves, scarves and shawls, boots, shoes and slippers, headbands, hosiery, stockings, tights, ties, cravats, belts.”

116. In view of the above, the application may proceed for the following goods and services:

Class 18 “Bags made of leather (not including handbags, shoulder bags); bags made of imitation leather (not including handbags or shoulder bags); sports bags made of leather; sports bags made of imitation leather; trunks and travelling bags; travel cases; luggage; suitcases; hold-alls; portmanteaux; valises; bags (not including handbags or shoulder bags); rucksacks; backpacks; bum bags; sports bags; casual bags (not including handbags or shoulder bags); satchels; beauty cases; umbrellas; parasols; walking sticks; shooting sticks; parts and fittings for all the aforesaid goods”

Class 28 in its entirety (the opposition was not lodged against this class).

Class 35: “Retail services, retail store services, mail order retail services and electronic or on-line retail services connected with the sale of trunks and travelling bags, travel cases, luggage, suitcases, hold-alls, portmanteaux, valises, bags (not including handbags or shoulder bags), toilet bags, carrier bags, rucksacks, backpacks, bum bags, sports bags, casual bags (not including handbags or shoulder bags), satchels, beauty cases, umbrellas, parasols, walking sticks, shooting sticks, games and playthings, gymnastic and sporting articles, balls for sports, bats for games, bats; advertising services; marketing and promotional services; organisation, operation and supervision of sales and promotional incentive schemes and customer loyalty schemes; information, advisory and consultancy services all relating to the aforesaid services”

**Costs**

117. Since both sides have achieved a measure of success I do not propose to favour either side an award of costs.

**Dated this 11th day of February 2015**

**Mark King  
For the Registrar,  
The Comptroller General**