

O-308-15

IN THE MATTER OF APPLICATION NO 3039590 FOR REGISTRATION OF THE
TRADE MARK



IN THE NAME OF GUANGDONG BAOLUO GARMENTS DEVELOPMENT CO LTD

AND

OPPOSITION THERETO UNDER NO 402424
BY THE POLO/LAUREN COMPANY L.P.




Background

1. Application No 3039590 is for the trade mark shown on the front cover of this decision. The application has a filing date of 27 January 2014, stands in the name of Guangdong Baoluo Garments Development Co Ltd (“the applicant”) and seeks registration for the following goods:




Class 25

Clothing; shirts; jackets; underwears; shoes; hats; hosiery; scarves; shawls; girdles; layette; clothing for children; swimsuits; wedding veil; raincoat.

2. Following publication in the *Trade Marks Journal* 2014/018 on 2 May 2014, notice of opposition was filed by The Polo/Lauren Company, L.P. (“the opponent”). The grounds of opposition are founded on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In respect of the objections under sections 5(2)(b) and 5(3) of the Act, the opponent relies on the following Community trade marks (“CTMs”):

Mark	Dates	Specification
CTM 4049334 POLO	Filing date: 29 September 2004 Date of entry in register: 12 August 2010	Goods in classes 18 and 25
CTM 8928772 POLO TENNIS	Filing date: 4 March 2010 Date of entry in register: 10 October 2011	Goods in class 25
CTM 9624784 POLO DENIM & SUPPLY	Filing date: 23 December 2010 Date of entry in register: 7 July 2011	Goods in classes 18,25 and 35,
CTM 8814451 POLO JEANS CO.	Filing date: 15 January 2010 Date of entry in register: 13 June 2010	Goods in classes 14, 18 and 25
CTM 8612871 	Filing date: 13 October 2009 Date of entry in register: 8 June 2010	Goods in classes 8, 9, 14, 16, 18, 20, 21, 24, 25, 27, 28 and 35
CTM 11943578 	Filing date: 28 June 2013 Date of entry in register: 19 November 2013	Goods in classes 18, 24 and 25
CTM 4049201 	Filing date: 29 September 2004 Date of entry in register: 3 November 2005	Goods in classes 9, 18, 20, 21, 24 and 25.

3. In respect of the objections under section 5(4) of the Act, the opponent relies on use of four earlier signs:

Sign	Claim
POLO	Use throughout the UK since 1960s in relation to: Clothing, footwear, headgear, shoes, shirts, underwear, hats, scarves, clothing for children, jumpers, sleepwear, blazers, jackets, hosiery, shawls, blouses, headgear for men and women, headbands, rainwear, socks, waistcoats and belts.
	Use on the same articles as above throughout the UK since 1960s
	Use on the same articles as above throughout the UK since June 2013
	Use on the same articles as above throughout the UK since 1960

4. The applicant filed a counterstatement in which it accepts that its goods are identical to those in class 25 of the registrations relied on by the opponent but denies the respective marks are visually, phonetically or conceptually similar such that there is a likelihood of confusion or that the mark offends the provisions of sections 5(3) or 5(4) of the Act.

5. Each of the trade marks relied on by the opponent is an earlier mark within the meaning of section 6 of the Act. Whilst one of them, CTM 4049201, had been registered for more than five years at the date the application was published and so would be subject to the requirement set out in section 6A of the Act that the opponent show proof of its use, the applicant has indicated in its counterstatement that it does not put the opponent to such proof. That being the case, the opponent is entitled to rely on each of its earlier marks in respect of each of the goods and services for which they are registered.

6. Both parties filed evidence and both filed written submissions in lieu of attendance at a hearing. I give this decision after a careful consideration of all the written materials before me.

The evidence

The opponent's evidence

7. The opponent's evidence takes the form of a witness statement by Anna Dalla Val, who is the Vice President and Secretary of PRL International, Inc, General Partner of the opponent. She states that her main responsibilities include managing and protecting the opponent's worldwide intellectual property rights with which she is familiar, including its trade marks and that she has a considerable understanding of

their development and use throughout the world. She states that she has full access to the opponent's records and is authorised to make the statement on its behalf.

8. Ms Dalla Val states the opponent's business was founded in the USA by fashion designer Ralph Lauren in 1967. The first shop outside the USA was opened in London in 1981. It has since opened retail outlets across the globe and has become one of the largest clothing retailers worldwide with approximately 138 directly operated freestanding stores, 235 factory outlets and around 22,000 shops-in-shops throughout the world. As at the date of the filing of the application under consideration, there are said to have been 6 retail stores, and 13 factory shops within the UK across 7 locations and "numerous" shops-in-shops.

9. Ms Dalla Val states the marks have been used on the opponent's goods for many years including in the UK in relation to various articles of men and women's clothing, as well as clothing and fashion accessories. At ADV8 and ADV10, she exhibits extracts from the opponent's group's catalogues and website showing examples of the marks in use on goods including various types of clothing, headgear and footwear.

10. Ms Dalla Val provides the following details of total sales in Europe and indicates that approximately 20% of the total annual sales for each year relate specifically to the UK:

FY	2005	2006	2007	2008	2009	2010	2011	2012
Net Sales (\$ millions)	575.1	623.7	763.2	886.1	1,025.5	1,051.0	1,177.0	1,484.9

11. Ms Dalla Val states that "considerable" sums have been spent on marketing and promoting goods under the marks relied upon. The figures range from a low of €22,515,000 in 2006 and increase steadily to a figure of €46,495,000 in 2012, however, these figures are said to relate to Europe including the UK and no figures or percentage are given for the UK alone. That said, at ADV12-16 is exhibited a variety of material showing advertisements in various publications within the UK between 2001 and 2012. The quality of most of the pages is very poor (they appear to me to be photocopies of photocopies) and I cannot be sure what some of them show. Some of the material is also marked as for internal use. I can see, however, that extracts taken from the Selfridges, Harvey Nichols and Harrods magazines which bear dates between 2002 and 2005 show use of various marks including the word POLO and a device of a polo player and horse.

12. Ms Dalla Val states that numerous sponsorship deals have been entered into by the opponent's Group which includes, within the UK, being the official outfitter for the tennis tournament taking place at Wimbledon since 2006. This encompassed "collaboration with Wimbledon to create a "Polo Ralph Lauren Wimbledon" collection of clothing sold at Wimbledon and its online store". A 5 year contract expiring in July 2016 has also been entered into with The R&A for it to be the official outfitter at the Open Championship which includes the marks on both men's and women's clothing to celebrate the Royal Lytham & St Anne's 2012 tournaments.

Findings on the opponent's evidence

13. Whilst the opponent's evidence could have been more clearly focussed, I consider it is sufficient to show a reputation under each of the marks relied on. The size of the opponent's trade in the UK, which, on the basis of the figures given in evidence, increased steadily from some \$115m in 2005 to \$296m in 2012, is likely to have enhanced the inherent distinctive character of each of its marks, whether alone or in combination. In its written submissions, the applicant concedes that the opponent has a reputation in each of its marks in respect of clothing. I find that the reputation extends to cover footwear and headgear too.

The applicant's evidence

14. This consists of a witness statement of Linda Jane Harland, the applicant's legal representative in these proceedings. Ms Harland's witness statement serves as a vehicle to exhibit the results of a search, carried out by her in "early September 2014", of the OHIM and UK registers of "marks incorporating the word '*polo*' and resembling club badges which already coexisted with the Opponent's earlier marks". Also exhibited is material from "websites associated with polo clubs which owned the trade marks identified by" that search which, she submits, "demonstrate that the marks in question were in use in the United Kingdom at the date that the searches were made." Whilst the website material contains some of the marks identified by her search, there is no evidence which shows how or whether those marks have been used in relation to specific goods and services. I consider this material to be no more than "state of the register" evidence. There is no evidence to show the applicant has used its mark.

The objection under section 5(2)(b) of the Act

15. Section 5(2)(b) of the Act states:

"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".

16. 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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of the respective goods and services

17. As indicated above, in its counterstatement the applicant accepts that it seeks to register goods in class 25 which are identical to goods in the same class as are included within the opponent's earlier marks. In view of this and, given the remaining goods and services relied on by the opponent can put it in no stronger position, I do not intend to carry out a comparison of those remaining goods and services.

The average consumer and the nature of the purchasing process

18. Both parties have specifications consisting, broadly speaking, of clothing, footwear and/or headgear. Such goods will be sold in a variety of ways including in traditional retail outlets on the high street, through catalogues and by way of the Internet. Given the respective specifications, I must keep all of these trade channels in mind. The average consumer of the goods at issue is a member of the general public who is likely to select the goods mainly by visual means though I accept that more expensive items may be researched or discussed with a member of staff. In this respect, I note that in *New Look Ltd v OHIM Cases*- T-117/03 to T-119/03 and T-171/03, the General Court (“GC”) said this about the selection of clothing:

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

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

“43. It should be noted in this regard that the average consumer’s level of attention may vary according to the category of goods or services in question (see, by analogy, Case C 342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

20. Clearly, the average consumer’s level of attention will vary considerably depending on the cost and nature of the item concerned, however, even when selecting routine and relatively inexpensive items of clothing such as socks, I consider the average consumer will pay attention to considerations such as size, colour, style, material and cost. Overall, the average consumer is likely to pay a reasonable degree of attention to the selection of items of clothing, footwear or headgear which are goods which will be bought on a fairly regular basis.

Comparison of the respective marks




21. 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 them, bearing in mind their distinctive and dominant components. The CJEU 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.”

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

22. The parties agree that the earlier marks relied on by the opponent can be separated into three groups: those marks which consist only of words, those which consist only of a device and the mark which is a composite of words and device. In respect of the word only marks relied upon, each consists of the word POLO either alone or with other words which have no distinctive character in relation to the goods at issue. In the circumstances, I intend to consider only the earlier word mark for POLO *simpliciter* as the other word marks can put the opponent in no stronger position. In addition, given the nature of the very minor differences between the two pictorial marks, consideration of one of the two will suffice. With that in mind, the marks to be compared are as follows:

Opponent's marks	Applicant's mark
POLO	
	
	

23. The applicant's mark consists of a representation of what the applicant describes as the Union flag. The middle of the design is overlain with an oval shape which acts as a border to what is inside it, which is a device and words. There is a representation of what will be seen as a polo player and his horse. This is because the rider is carrying a polo mallet and appears about to hit, or to have just hit, the ball that is visible between his mallet and the horse's legs. I shall refer to it as the polo player. Underneath the polo player and in plain block capitals, are the letters GBRPOLO. Whilst presented as one word, it naturally breaks down into the two elements GBR and POLO, particularly so in view of the polo player appearing above it. The letters GBR, the opponent submits, are the International Standard country code for Great Britain and are commonly used and will be recognised by the average consumer as an abbreviation for Great Britain particularly in view of the flag device

within the mark. As the applicant submits, the Union flag and the three letter code are “used by many of sport’s governing bodies...to designate the United Kingdom”. The word POLO is a dictionary word with well-known meanings as a sport, a style of neck of a top or a type of shirt and is not distinctive for clothing of this sort or for clothing etc. for use when playing polo. The polo player is a distinctive element of the mark for clothing other than for use in playing polo and its position makes it the visual centrepiece of the mark.

24. The first of the opponent’s marks relied upon (CTM 4049334) consists of the word POLO presented in plain block capitals. As no part of the word is highlighted in any way, its distinctiveness rests in its whole. Whilst the word has the meanings set out above, the opponent’s specification in class 25 contains the following exclusion: “but not including shirts other than dress shirts, and not including garments with polo necks, and not including any of the aforesaid goods being sports clothing intended for use in playing polo”. In view of this exclusion, the word POLO is distinctive for all of the goods appearing in the specification which are, broadly speaking, articles of clothing, footwear and headgear.

25. The applicant’s mark therefore contains the whole of the opponent’s mark but also contains other elements which are not shared. On visual consideration, there is a low degree of similarity. From the aural perspective, given that only the word elements of the applicant’s mark are likely to be articulated, the position is that the degree of similarity is reasonably high. In its counterstatement, the applicant submits that the:

“combination of the national flag and the code for the United Kingdom often seen on the shirts of, for example, British athletes is likely to bring to mind national team badges so that the Applicant’s mark will be taken to resemble the badge of the United Kingdom national polo team-were such a team to exist.”

26. I do not discount the possibility that some would view the Union flag and letters GBR within the mark as referring to a national team, a concept which does not exist in the opponent’s mark, however, as both marks may bring to mind the sport of polo, the conceptual similarity between them is high.

27. The second of the opponent’s marks relied upon (CTM 8612871) consists of a number of elements. The words Polo, Ralph and Lauren are all in title case and presented in linear fashion. Each of the words is presented in identical and equal sized font, however, between the words Polo and Ralph, is a polo player device which is slightly taller than the words alongside it. The positioning of the polo player separates the word elements in such a way that the words Ralph and Lauren will be read together to form a full name as a separate element to the word POLO. Ralph is well known as a man’s name, however, the name Lauren as a surname is much less common but the whole creates a distinctive element. The polo player is smaller in proportion to the words within the mark so does not dominate it but neither would it be overlooked. The word POLO has a degree of prominence by being the first element of the mark whilst the name Ralph Lauren forms the largest element of the mark but neither dominates the other. The specification of this mark also covers, and is, in fact worded, *Clothing, footwear, headgear*. In this case, however, the

specification is without limitation and thus both the word POLO and the polo player would be distinctive only for goods other than sport clothing for use in playing polo, tops with polo necks or polo shirts.

28. The applicant's mark therefore contains both the POLO element of the opponent's mark and a polo player but, visually, there is still only a low degree of similarity between them. From the aural perspective, the position will depend on how the average consumer refers to the marks. On the basis that only the words within the respective marks will be articulated, the shared element is the word POLO. Whilst I do not exclude the possibility that the polo player could be referred to, in my view, this is unlikely. Taken as wholes, I consider the marks have a low degree of aural similarity. The high point of conceptual similarity is that both marks will bring to mind the sport of polo albeit, in relation to the applicant's mark, the sport within Great Britain but considering the marks as wholes that similarity is a low level.

29. The third of the opponent's marks is the device of a polo player. Whilst there are two earlier marks relied upon which consist of such a device and the specifications of each differ, each covers clothing, footwear and headgear without limitation. Other than for clothing etc. for use when playing polo, for tops with polo neck or for polo shirts, it is a distinctive mark.

30. The applicant acknowledges that both marks contain a depiction of a polo player but, essentially on the basis of their different orientation and the relative positions of the horse and its rider, submits they are not visually similar. I do not consider the average consumer will pause to analyse the respective devices in such detail; they will simply see them as polo players in silhouette. As the centrepiece of the applicant's mark is a device, in silhouette form, of a polo player holding a polo mallet whilst riding a horse, as is the sole element of the opponent's mark, there is a moderate degree of visual similarity between them. Were the opponent's mark to be articulated, it would most likely be referred to as a polo player which would lead, at best, to a moderate degree of aural similarity. As both marks will bring to mind the sport of polo, albeit in relation to the applicant's mark, the sport within Great Britain, the conceptual similarity between them is high.

Likelihood of confusion

31. 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 the opponents' trade marks as the more distinctive they are, 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.

32. Earlier in this decision I found:

- The application seeks registration for goods which are identical to those within the opponent's specifications in the same class;
- The average consumer for those goods is a member of the general public who will take a reasonable degree of care over the purchase;
- The purchase of the goods is one which will be primarily visual, though not to the exclusion of the other factors;
- The opponent's word mark (CTM 4049334) has a low degree of visual similarity, a reasonably high degree of aural similarity and a high degree of conceptual similarity with the applicant's mark;
- The opponent's word and device mark (CTM 8612871) has a low degree of visual, aural and conceptual similarity with the applicant's mark;
- The opponent's device mark (CTM11943578/CTM 4049201) has a moderate degree of visual similarity, a moderate degree (at best) of aural similarity and a high degree of conceptual similarity with the applicant's mark;
- The distinctive character of each of the opponent's marks is likely to have been enhanced through their use and the applicant accepts the opponent's reputation for clothing in each mark.

33. I have to consider both direct and indirect confusion. 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 that:

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

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

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

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

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

34. In my view, the differences between each of the respective marks will not go unnoticed by the average consumer and I consider there will be no direct confusion between them.

35. As indicated above, the applicant has accepted that each of the opponent’s marks has a reputation. Those marks consist of the word POLO or a device of a polo player in silhouette as well as a composite mark which includes both of these elements. The applicant’s mark includes both the word POLO and a device of a polo player in silhouette. In *Whyte and Mackay Limited v Origin Wine UK Limited and Dolce C Invest Inc* (“*JURA ORIGIN*”) [2015] EWHC 1271 (Ch) (6.5.15), Arnold J stated:

“18. The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19. The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20. The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21. The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

36. In view of the above guidance and my own conclusions which I have set out above, the average consumer will, in my view, perceive the applicant’s mark as

including elements which have a distinctive significance which is independent of the significance of the trade mark as a whole.

37. In those circumstances, the low degree of visual similarity, the reasonably high degree of aural similarity and high degree of conceptual similarity which I have found to exist in respect of the opposition based on CTM 4049334 will result in a likelihood of indirect confusion. Insofar as the opposition based on CTM 11943578 and 4049201 is concerned, the moderate degree of visual similarity and moderate, at best, aural similarity along with the high degree of conceptual similarity also results in a likelihood of indirect confusion. As regards the opposition based on CTM 8612871, whilst the inclusion of the element Ralph Lauren with the mark has no equivalent within the applicant's mark and I have found there to be a low degree of visual, aural and conceptual similarity between them, the inclusion within it of the word POLO and the polo player device, both elements the applicant accepts are marks with a reputation in their own right, still leads me to find there is also a likelihood of indirect confusion between them.

38. That being the case, the opposition under section 5(2)(b) succeeds.

The objection under section 5(3) of the Act

39. I go on to consider the matter under section 5(3) which states:

“(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.”

40. The opponent relies under this ground on the same CTMs as it did in relation to its objection under section 5(2)(b) of the Act. In brief, the opponent claims that use of the applicant's mark would, without due cause, take unfair advantage of and/or be detrimental to the distinctive character or the repute of its marks or would free-ride on that reputation, tarnish that reputation or dilute the distinctive character of its marks. The applicant denies the claims.

41. 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 C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *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 and between 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*
- (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 risk 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) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.
- (i) 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*).

42. I set out above my findings on the evidence filed by the opponent. In my view it very clearly shows the opponent to have a reputation in the UK in the marks consisting of or including the word POLO or polo player device in respect of clothing, footwear and headwear. The first hurdle which the opponent has to overcome is therefore met and I go on to consider the matter or whether the relevant public would make a link between the respective marks.

43. In my consideration of the same marks under the provisions of section 5(2)(b) of the Act, I found that there is a likelihood of confusion between them. The level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion. In *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P, the CJEU stated (at paragraph 72 of its judgment) that:

“The Court has consistently held that the degree of similarity required under Article 8(1)(b) of Regulation No 40/94, on the one hand, and Article 8(5) of that regulation, on the other, is different. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue so that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) of Regulation No 40/94 may be the consequence of a lesser degree of similarity between the earlier and the later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see judgment in *Ferrero v OHMI*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited).”

44. In each case I found that the visual, aural and conceptual similarities between the respective marks and their reputation along with the identity of the respective goods combined to lead to a likelihood of confusion. I found that the goods are such as will be bought by members of the general public on a fairly regular basis and with a reasonable degree of care. Taking all matters into account, I consider the relevant public would make the necessary link. The second hurdle the opponent has to overcome is therefore met.

Unfair advantage

45. In *L'Oréal v Bellure*, the CEJU stated:

“The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of that mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation 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.”

i.e. the later mark calls to mind the earlier mark and appears instantly familiar to the relevant public thereby making it easier for the defendant to establish its mark and to sell its goods without the usual marketing expenditure.

46. There is some debate as to whether the judgment of the CJEU in *L’Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L’Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited* [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L’Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. The absence of due cause, however, appears to be closely linked to the existence of unfair advantage. (See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull*).

47. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

48. In *Lonsdale Sports Limited v Erol*, [2013] EWHC 2959 (Pat), Norris J stated:

“34. As I have said above, at a first glance the block of text in the Respondent's Mark looks like something that Lonsdale might be connected with (a first impression soon dispelled in the case of the average consumer). But that first glance is important. Those who look at the wearer of a product might think the wearer was clad in a Lonsdale product. The creation of that illusion might be quite enough for the purchaser of a “look-alike” product: indeed who but such a person would knowingly buy a “pretend” product? Further, it undoubtedly dilutes the true “Lonsdale” brand by putting into circulation products which do not proclaim distinctiveness but rather affinity with a reputable brand.”

49. I have no evidence which goes to the applicant's intention, however, its mark includes the POLO and polo player device elements which are identical or very highly similar to those making up or included within the opponent's marks and for which it has a reputation. As I have found, it is the word POLO and the polo player device that are the visual centrepiece of the applicant's mark and will attract the attention of the relevant public.

Detriment to repute

50. In respect of the opponent's claim to detriment to the repute of its earlier mark, it states the applicant's mark is likely to:

“tarnish the reputation of the Earlier Trade Marks, which currently enjoy a reputation of excellence and quality, because the Opponent will not be able to control the manner in which the Trade Mark is used, which may be on goods which are inferior in quality to those of the Opponent in a manner adverse to the reputation of the Earlier Trade Marks (and which would potentially be incompatible with the reputation of the Earlier Trade Marks.”

51. The issue to be determined is not whether, potentially, the applicant's goods are likely to be of poor quality (see, *Unite the Union* BL O/219/13) but rather, whether there is something about the later mark and or the goods to which it is applied which spoils the image of the earlier mark or creates a negative association in the mind of the relevant consumer. In my view, there is nothing about the applicant's mark or the goods for which it seeks registration that would cause such detriment.

Detriment to distinctive character

52. In *L'Oréal* the CJEU stated:

“39. As regards detriment to the distinctive character of the mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark's ability to identify the goods or services for which it is registered is weakened since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, *Intel Corporation*, paragraph 29).”

53. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) pointed out that the alleged detriment to the distinctive character of the earlier mark must be connected to the mark's reputation. The judge stated that:

“122. The requirement that the registered trade mark has a reputation therefore underpins and is intimately tied to the possibility that the mark may be injured. Put another way, if and in so far as the registered mark is not known to the public then, in a case in which there is no likelihood of confusion, it is very hard to see how it can be injured in a relevant way. This presents no

conceptual difficulty in a case in which it is alleged that the use of the later mark will take unfair advantage of or tarnish the reputation attaching to the registered mark. Self evidently both of these kinds of injury can only be inflicted upon the registered mark to the extent that it has a reputation. But in my judgment just the same must apply to the third kind of injury, that is to say, damage to distinctive character by, for example, dilution or blurring. Just as in the case of the other kinds of injury, there must be some connection between the reputation and the damage.”

And

“140. Finally, and most importantly for present purposes, in assessing whether there is detriment to the distinctive character of the earlier mark, it must be considered whether the mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of the mark is weakened (see *Intel* at paragraph [29], set out above).”

54. I also bear in mind the comments of Birss J [2014] EWHC 2631 (Ch) *PINK* where he said:

“Furthermore the link to the CTM will inevitably cause a detriment to the distinctive character of the claimant’s mark. The defendant is not using PINK in a descriptive sense, it is using PINK as an indication of trade origin for its articles of clothing and other articles, Over time, if it is not stopped, it is bound to cause the claimant’s clothing trade mark to begin to lose its ability to act as a designation of the claimant as the origin of its goods. The defendant is backed by a huge business and is in a position to saturate the market with its conflicting origin message in a very short space of time. A key element in the claimant’s mark, the word PINK, will not serve as an exclusive designation of the claimant. The public will think that the claimant’s trade mark refers to Victoria’s Secret. There is a real risk that this will lead to a change in economic behaviour. For example consumers are likely to enter one of the claimant’s shops looking for lingerie and be surprised and disappointed when they find they have made a mistake.”

55. I have no evidence to show the size of the applicant’s business nor is there any evidence it has used its mark, however, I consider that any use by it of its mark will weaken the distinctive character of the earlier mark.

56. The objection under section 5(3) of the Act succeeds.

The objection under section 5(4) of the Act

57. In view of my findings above, I do not consider that the opponent’s objection under this ground would put it in any stronger position and I decline to deal with it.

Summary

58. The opposition succeeds in full.

Costs

59. The opponent having succeeded, it is entitled to an award of costs in its favour. I make the award on the following basis:

For filing a statement and considering the applicant's counterstatement:	£300
Fee:	£200
Evidence:	£800
Submissions in lieu of a hearing:	£300
Total:	£1600

60. I order Guangdong Baoluo Garments Development Co Ltd to pay The Polo/Lauren Company LP the sum of £1600. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 3rd day of July 2015

**Ann Corbett
For the Registrar
The Comptroller-General**