

**O-033-17**

**TRADE MARKS ACT 1994  
IN THE MATTER OF  
APPLICATION NO 3138148  
BY SUPERCREASE LIMITED  
TO REGISTER**



**AND**



**AS A SERIES OF TWO TRADE MARKS IN CLASS 25**

**AND**

**OPPOSITION THERETO (UNDER NO. 406207)**

**BY**

**IPSOLUS LIMITED**

## **BACKGROUND**

1) On 27 November 2015, Supercrease Limited, ('the applicant') applied to register the series of two marks shown on the cover page of this decision for 'Clothing, footwear and headgear' in class 25.

2) The application was published on 11 December 2015 in the Trade Marks Journal and notice of opposition was subsequently filed by Ipsolus Limited ('the opponent').

3) The opponent claims that the application offends under Section 5(2)(b) of the Trade Marks Act 1994 ('the Act'). It relies upon the following UK Trade Mark registration and goods:

**TM No: 2594930**

## **NUTMEG**

**Class 25: Clothing, footwear, headgear.**

**Filing date: 16 September 2011**

**Date of entry in the register: 23 December 2011**

4) The opponent's trade mark is an earlier mark, in accordance with section 6 of the Act and, as it had not been registered for five years or more before the publication date of the applicant's mark, it is not subject to the proof of use requirements, as per section 6A of the Act.

5) The applicant filed a brief counterstatement stating that, although the marks share the word NUTMEG, the visual, aural and conceptual differences are such that the marks are dissimilar.

6) Only the opponent filed evidence. Neither party requested to be heard. Only the opponent filed written submissions in lieu of a hearing. I now make this decision on the basis of the papers before me.

### **Opponent's evidence**

7) This takes the form of a witness statement in the name of Matthew Sammon, a partner in Marks & Clerk LLP, the opponent's representative in these proceedings.

8) Mr Sammon states that Ipsolus Limited is a wholly owned subsidiary of Wm Morrison Supermarkets plc and that the latter uses the mark with the consent of the former.

9) A number of newspaper articles are exhibited to Mr Sammon's statement. These include the Telegraph (dated 3 November 2012), Retail Week (dated 27 February 2013) and the Guardian (dated 27 February 2013) detailing the launch, by Morrisons supermarkets, of a clothing range for children under the brand name of NUTMEG. The articles state that the range will be available in 100 Morrisons supermarkets from March 2013.

10) An extract from the website of Wolff Olins (the brand design agency that assisted Morrisons with their launch of the NUTMEG brand) dated 26 April 2013 states that the 'rapid success' of the brand in the first month of its launch meant that it would soon be rolled out to 200 stores.

11) Mr Sammon also provides articles showing photographs from inside Morrisons supermarkets. These show examples of use of the NUTMEG brand on point of sale material such as signage and a close-up of the neck label of a top. I note that one such article from Retail Week, dated 31 May 2013, shows racks of children's clothing

below a large sign bearing the mark 

12) An article from Grocer Magazine, dated 24 March 2016, entitled 'Morrisons strides into fashion retail top 20' states, inter alia, the following:

“Morrisons has earned a place among the UK’s top 20 fashion retailers, according to the latest research from Kantar Worldpanel.

The supermarket group’s Nutmeg brand, a range of children’s clothing for newborns to kids aged 13 as well as adult’s essentials such as underwear and nightwear, recorded more than 3.1 million transactions for the 12 months to the end of January.

Its position in the league at number 20, based on market share, is the first time it has featured since Nutmeg launched in 2013.”

### **Preliminary point**

13) The opponent submits that it would also have grounds under 3(6) of the act (a claim that the application was made in bad faith) but has decided to proceed solely under 5(2)(b) for reasons of procedural economy. Despite this, it makes a number of submissions which would be more pertinent to a claim under section 3(6) than to section 5(2)(b). For instance, it states that the contested mark is a “slavish copy” of the way in which the opponent uses its registered mark and states that the applicant has given no explanation as to why it came to file a mark “containing the opponent’s brand”. For the avoidance of doubt, as a claim under 3(6) has not been pleaded, these arguments will not have any bearing on my decision and I will make no further mention of them.

### **DECISION**

14) Section 5(2)(b) of the Act states:

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

(a) .....

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

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

15) The leading authorities which guide me are from the Court of Justice of the European Union ('CJEU'): *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.

### **Comparison of goods**

16) The parties' specifications in class 25 are clearly identical.

### **Average consumer and the purchasing process**

17) It is necessary to determine who the average consumer is for the respective goods and the manner in which they are likely to be selected. 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.”

18) 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 General Court ('GC') stated:

“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 that 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.

...

53. 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.”

As stated by the GC, items of clothing will vary greatly in price. The same applies to footwear and headgear. Generally speaking, I would expect a normal level of attention to be paid by the consumer when selecting such goods. The purchasing act will be mainly visual on account of the goods being commonly purchased based on their aesthetic appeal; they are likely to be selected after perusal of racks/shelves in retail establishments, or from photographs on Internet websites or in catalogues. However, I do not discount aural considerations which may also play a part.

### **Comparison of marks**

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



20) The marks to be compared are:

**NUTMEG**

v



21) The opponent's mark, consisting of the single word NUTMEG presented in plain block capitals, is not readily divisible into separate components; its overall impression is based solely on that word.

22) The applicant's marks differ only as to colour. As the opponent's mark could be used in the same colours as the applicant's second mark (indeed, the opponent's evidence shows that it uses its mark in identical colours to those in the applicant's mark), those colours are not a distinguishing feature. Accordingly, I will refer to the applicant's marks in the singular as 'the mark'. The mark consists of the word NUTMEG prominently positioned at the top of the mark with the letter 'T' rotated 90 degrees to the left and the letter 'E' rotated by 45 degrees to the left. Below this is a black rectangular shape serving as a backdrop for the phrases 'LIFELONG CREASE' and 'THE PERMANENT GARMENT CREASE'. Given the obvious descriptive nature of these two phrases they both play a lesser role in the overall impression than the distinctive NUTMEG element which has the greatest weight in the overall impression.

23) From a visual standpoint, there is a clear point of visual coincidence owing to the common presence of the word NUTMEG in both marks (the rotation of the letters 'T' and 'E' in the applicant's mark does nothing to disguise that word). Whilst the other

elements of the applicant's mark create points of visual contrast, there is still a medium degree of visual similarity overall.

24) In terms of aural similarity, I consider it unrealistic to expect the consumer to articulate all of the words in the applicant's mark. It is more likely that it will be referred to solely by the NUTMEG element or perhaps as 'NUTMEG LIFELONG CREASE'. Allowing for the latter pronunciation, there is a medium degree of aural similarity.

25) The word NUTMEG will be perceived as the well-known spice. This is the sole concept portrayed by the opponent's mark and is likely to be the main conceptual hook for the consumer from the applicant's mark bearing in mind the descriptive nature of the other elements. The marks are conceptually highly similar.

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

26) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. 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).

23. 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).”

27) NUTMEG, although a well-known dictionary word, neither describes nor alludes to the relevant goods in any way. From an inherent perspective, I find it to be possessed of a normal level of distinctiveness.

28) Given the evidence filed by the opponent, I must also consider whether the mark’s inherent level of distinctiveness has been enhanced through use. Before I do so, I should first address the factor of Mr Sammon’s evidence being hearsay, having been provided to him by the opponent. Section 4 of the Civil Evidence Act permits hearsay evidence in civil proceedings but provides guidance as to the weight which should be afforded to it. In the circumstances, I do not consider it necessary to set out all of those guidelines here. Bearing in mind that i) none of the evidence has been challenged by the other side, ii) Mr Sammon confirms that he has been acting for the opponent since 2011 and is therefore likely to have good knowledge of the opponent’s business, and iii) he has access to the records of the opponent, I see no reason to question it.

29) The evidence is far from substantial and there is nothing in the form of turnover or advertising figures. However, there are press articles from national newspapers in 2013 detailing the imminent launch of a children’s clothing range under the mark NUTMEG in 100 Morrisons supermarkets. Photographs showing use of the mark on signage and stands for a range of children’s clothing and close-ups of neck labels bearing the mark have been provided. There is also evidence indicating that, due to its success in the first month of its launch, the NUTMEG clothing range was later rolled out to 200 stores suggesting that its use has been widespread throughout the UK. Further, the article from Grocer magazine states that Morrisons had earned a place among the UK’s top 20 fashion retailers for its NUTMEG clothing, having recorded more than 3.1 million transactions from Jan 2015-Jan 2016 for those

goods. Whilst this article emanates from March 2016, meaning it is not clear whether Morrisons were in the top 20 at the relevant date some four months earlier in November 2015, the number of transactions alone between Jan 2015 and Jan 2016 clearly indicate that the opponent is likely to have been enjoying considerable success under its mark at the relevant date.

30) As already stated, none of the evidence has been challenged by the applicant. Taking a collective view of it, I find that, despite its deficiencies, it paints a picture of the opponent having used its mark on children's clothing to the extent that its distinctiveness had, more likely than not, been elevated to at least a good degree in relation to those goods at the relevant date. For goods other than children's clothing, the evidence is insufficient to satisfy me that the level of distinctiveness has been enhanced beyond a normal level.

### **Likelihood of confusion**

31) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the goods may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

32) I have found that the marks share a medium degree of visual and aural similarity; these factors do not pull strongly in either party's favour. However, the goods are identical and the marks are conceptually highly similar, both of which clearly weigh heavily in the opponent's favour. I find that these latter factors in particular, together with the good(at least)/normal degree of distinctive character of the earlier mark mean that an average consumer paying a normal degree of attention is likely, at the very least, to believe that the goods emanate from the same or linked undertaking(s). I should add that, even if I am wrong in concluding that the earlier mark's

distinctiveness has been elevated for children's' clothing, I would have reached the same conclusion on the basis of the mark having a normal degree of inherent distinctiveness for those goods. **The opposition succeeds.**

## **COSTS**

33) As the opponent has been successful, it is entitled to a contribution towards its costs. Using the guidance in Tribunal Practice Notice 4/2007, which was in force at the time of commencement of these proceedings, I award the opponent costs on the following basis:

Official fee (TM7)	£100
Preparing the notice of opposition and considering the counterstatement	£200
Preparing evidence	£500
Written Submissions	£300
<b>Total:</b>	<b>£1100</b>

34) I order Supercrease Limited to pay Ipsolus Limited the sum of **£1100**. 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 27th day of January 2017**



**Beverley Hedley**  
**For the Registrar,**  
**the Comptroller-General**