

**O-262-17**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF**

**TRADE MARK APPLICATION NO 3091397**

**IN THE NAME OF SUVEEN KAPOOR**

**FOR**

**THE TRADE MARK**

**IWL (INSTYLE WATCHES LONDON)**

**IN CLASS 14 & 35**

**AND**

**OPPOSITION THERETO (UNDER NO. 404260)**

**BY**

**RICHEMONT INTERNATIONAL S.A.**

## **Background**

1) On 27 January 2015, Suveen Kapoor ('the applicant') applied to register **IWL (INSTYLE WATCHES LONDON)** as a trade mark in respect of the following goods and services:

**Class 14:** Watches.

**Class 35:** Retail and wholesale services connected with the sale of precious metals and their alloys, precious and semi-precious stones, parts and fittings for the above; advisory and information relating to the above.

2) The application was published in the Trade Marks Journal on 06 February 2015 for opposition purposes and notice of opposition was later filed by Richemont International S.A. ('the opponent'). The opponent claims that the trade mark application offends under a number of grounds including under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ('the Act').

3) A number of marks are relied upon under 5(2)(b) and 5(3). It suffices to set out here the details of only two of those marks given that the others do not put the opponent in any stronger position. Both marks listed below are relied upon under section 5(2)(b); only the first mark is relied upon under section 5(3). Their details are:

- EUTM registration 12195831 for the mark **IWC** which has a filing date of 04 October 2013 and was entered in the register on 24 February 2014. The following goods are relied upon:

**Class 14:** Cuff links; Tie clips; Rings (jewellery, jewelry (am.)); Bangle bracelets; Earrings; Necklaces (jewellery); Broaches; Key rings of precious metal; Horological and chronometric instruments; Watches; Chronometers; Clocks; Watch cases; Dials (clock and watch making); Movements for clocks and watches; Alarm clocks; Watch bands; Boxes of precious metals for watches and jewellery.

- International registration 1144973 for the mark **IWC** which has a designation date in the EU of 16 November 2012 and protection was granted in the EU on 26 November 2013. The following services are relied upon:

**Class 35:** Retail services in the field of luxury goods provided via the Internet and other computer and electronic communication networks; input, administrative management and research in databases in connection with domain names of computer networks. Goods and services limited to: Retail services in the field of luxury goods provided via the Internet and other computer and electronic communication networks; input, administrative management and research in databases in connection with domain names of computer networks; none of the aforementioned services relating to food and drink, wine, wine testing or an annual wine competition an award event.

**Class 38:** Telecommunication services; routing of Internet requests from end users to providers of hosting for Internet sites; provision of access to on-line computer databases relating to data concerning domain name registrations.

**Class 42:** Identity verification aimed at enabling or refusing access to data and services.

**Class 45:** Registration of domain names for identification of users on a global computer network, including coordination of the registration of domain names for identification of users and Internet Protocol addresses on the Internet.

4) Both marks set out above are earlier marks in accordance with section 6 of the Act. Neither had been registered for more than five years before the publication date of the applicant's mark and are therefore not subject to the proof of use requirements.

5) Insofar as the claim under section 5(3) of the Act is concerned, the opponent claims that the first mark set out above has a reputation in the UK in relation to the goods relied upon. It claims that the use of the applicant's mark, without due cause,

would take unfair advantage of, or be detrimental to, the distinctive character or repute of its mark. In particular, it is stated that the applicant would unfairly benefit from the significant investment that the opponent and/or its authorised licensees have made in establishing, promoting, maintaining and enhancing the reputation and distinctiveness of the opponent's trade mark by free-riding on such investment/reputation/distinctiveness. It is claimed that the applicant would bask in the reputation/image of the opponent's mark, which is said to be one of high-quality, luxury goods and would enjoy a substantial commercial advantage from the significant savings he would make in terms of investment in the promotion of his own goods and services

6) The proprietor filed a counterstatement denying the grounds of opposition.

7) Both parties filed evidence. The opponent's evidence is also accompanied by submissions. Neither party requested a hearing. Only the opponent filed submissions in lieu. I now make this decision on the basis of the papers before me.

## **Evidence**

### **Opponent's evidence**

8) Simon Chambers, Brand Director at Richemont UK Limited which is part of the Richemont International S.A. group of companies, provides the following information in his witness statement:

- The opponent's IWC watches were first produced in 1868 and are currently marketed in over 150 countries, including the UK.
- The IWC mark has a long-standing international reputation as one of the world's leading brands in the luxury watch market.
- IWC crafts masterpieces of haute horlogerie at their finest, combining supreme precision with exclusive design.

- Exhibit SC1 shows a selection of pages from IWC's catalogues from 2013, 2014 and 2015. The goods shown in the catalogues are all watches which bear the mark 'IWC' on the watch face.
- IWC adopts a strategy of exclusive and selective distribution. Over the past five years, IWC has reduced its distribution in the UK from fifty five points of sale to forty, thereby increasing the exclusivity and desirability of the IWC brand. 45% of IWC's points of sale are in the Greater London area, but IWC's distribution is nationwide and it is represented in all major cities across the UK from Aberdeen to Southampton. Exhibit SC2 is a page from the opponent's website, [www.iwc.com](http://www.iwc.com), showing the location of its stores in the UK. Most of these are in the London area, but there are also others in Cardiff, Southampton, Cheltenham, Trowbridge, Stratford-Upon-Avon, Birmingham, Leicester, Nottingham, Liverpool, Leeds, Newcastle, Edinburgh, Glasgow and Aberdeen.
- Exhibit SC3 shows photographs of an IWC 'shop-in-shop' at Watches of Switzerland and Harrods in 2014. IWC is visible on the face of watches pictured on the walls therein.
- Exhibit SC4 shows a photograph of a shop-front bearing the IWC mark in London's Bond Street which is said to have opened on 19 December 2014. An advertisement relating to the shop opening is also provided showing an image of a watch bearing the mark IWC on its face. That particular watch is described as a 'Big Pilot's Watch Perpetual Calendar Edition' and is said to be 'limited edition' with only '38 watches' of that kind being produced.
- Over the last five years, sales of IWC watches have grown by 30%, whilst the number of watches sold has increased more moderately (15%), indicating that the average price has increased by 25% over the same period.
- IWC has increased its annual advertising and promotional spend over the last five years by 150%, from £800,000 to £2,000,000. IWC's PR coverage over the same period has increased in value from £1,000,000 to £12,000,000.
- IWC has engaged in extensive sponsorship activities. For example, IWC became official time-partner of the 59<sup>th</sup> London Film Festival in partnership with the British Film Institute (BFI) in October 2014 and of Goodwood Members' Meeting January 2015. As part of IWC's sponsorship of the BFI

London Film Festival, it sponsored a dinner attended by celebrities including Emily Blunt and Christoph Waltz. Exhibit SC6 is a photograph from that event showing the said celebrities in front of an advertising wall bearing the IWC mark.

- Exhibit SC7 shows examples of adverts for watches bearing the IWC mark in publications such as The Financial Times, The Gentleman's Journal and The Big Watch Book by Esquire which appears to be a publication in the form of a guide to luxury watches. Some adverts show the prices of the watches. These vary from £10,500 up to £19,950. A number of the adverts state that there will only be a limited number of watches produced each year. An article in The Big Watch Book about 'The Fine Watch Room' in Harrods states that it is a 'nirvana for horological connoisseurs who demand the most exquisite timepieces' and that, amongst the brands found there, IWC Swiss watches are one.
- Exhibit SC8 is the UK landing page of the website [www.iwc.com](http://www.iwc.com) which was created in November 2012. The website received 350,000 unique visitors from the UK in 2014, rising 133% from 15,000 in 2013. Watches bearing the IWC mark are visible on the page.
- Exhibit SC9 is a page from the IWC Watches facebook account which was created in 2011. It has in excess of 1,333,000 'likes'. UK-based Facebook followers have increased from 7,000 in 2011 to 44,000 in 2014.

9) There is also a witness statement from Gavin Christopher Charles Stenton, Senior Associate Solicitor and registered trade mark attorney at Penningtons Manches LLP, pertaining to matters other than the use made of the earlier marks. I do not consider it necessary to summarise that evidence here. Rather, I will refer to it at the appropriate time in the following decision should it become necessary to do so.

### **Applicant's evidence**

10) Suveen Kapoor provides a witness statement in which he explains that the reason he applied for the mark IWL (INSTYLE WATCHES LONDON) is because the mark INSTYLE WATCHES LONDON is non-distinctive and therefore he added the

'IWL' to lend distinctiveness to the mark to gain a trade mark registration. He further explains that he only intends to market watches under the subject mark in India for the foreseeable future and he will only consider the UK once sales in India have been evaluated. He believes that the prospects of securing an Indian trade mark will be assisted by securing a UK trade mark first. He also states that he has no intention of using 'IWL' on the face of his watches. Rather, the watch face will show a crown emblem with the words 'INSTYLE LONDON' underneath, as shown in the photographs of watches exhibited to his statement. As such, he states that his goods could not possibly be confused with the opponent's goods.

### **Section 5(2)(b)**

11) Section 5(2)(b) of the Act provides:

“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.”

12) 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.

13) Before I turn to consider the likelihood of confusion between the opponent's mark and the applicant's mark, I should make clear, for the sake of the applicant, that my assessment must be based solely upon the mark it has applied to register i.e. IWL (INSTYLE WATCHES LONDON). Any use that the applicant may make or intends to make of a different mark, such as the one it refers to in its evidence, is irrelevant to my assessment under section 5(2)(b) of the Act. Similarly, the lack of any use it has made to date of the applied for mark or intends to make of it in the future is also irrelevant to that assessment. This is because considerations under section 5(2)(b) must be notional and objective, taking into account all of the ways in which the applied for mark might be used if it were registered<sup>1</sup>. This necessarily requires that I take into account that marketing strategies are temporal and may change with the passage of time<sup>2</sup> and that trade mark registrations, being items of property, may potentially be assigned to new proprietors in the future who may use them in a different way to that envisaged by the current proprietor.

---

<sup>1</sup> *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*, Case C-533/06,

<sup>2</sup> In *Devinlec Développement Innovation Leclerc SA v OHIM*, Case C-171/06P, the Court of Justice of the European Union stated that: "59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks."

## Comparison of goods and services

14) The goods and services to be compared are:

Applicant's goods and services	Opponent's goods and services
<p><b>Class 14:</b> Watches.</p> <p><b>Class 35:</b> Retail and wholesale services connected with the sale of precious metals and their alloys, precious and semi-precious stones, parts and fittings for the above; advisory and information relating to the above.</p>	<p><b><u>EUTM 12195831</u></b></p> <p><b>Class 14:</b> Cuff links; Tie clips; Rings (jewellery, jewelry (am.)); Bangle bracelets; Earrings; Necklaces (jewellery); Broaches; Key rings of precious metal; Horological and chronometric instruments; Watches; Chronometers; Clocks; Watch cases; Dials (clock and watch making); Movements for clocks and watches; Alarm clocks; Watch bands; Boxes of precious metals for watches and jewellery.</p> <p><b><u>International registration 1144973</u></b></p> <p><b>Class 35:</b> Retail services in the field of luxury goods provided via the Internet and other computer and electronic communication networks; input, administrative management and research in databases in connection with domain names of computer networks. Goods and services limited to: Retail services in the field of luxury goods provided via the Internet and other</p>

	<p>computer and electronic communication networks; input, administrative management and research in databases in connection with domain names of computer networks; none of the aforementioned services relating to food and drink, wine, wine testing or an annual wine competition an award event.</p> <p><b>Class 38:</b> Telecommunication services; routing of Internet requests from end users to providers of hosting for Internet sites; provision of access to on-line computer databases relating to data concerning domain name registrations.</p> <p><b>Class 42:</b> Identity verification aimed at enabling or refusing access to data and services.</p> <p><b>Class 45:</b> Registration of domain names for identification of users on a global computer network, including coordination of the registration of domain names for identification of users and Internet Protocol addresses on the Internet.</p>
--	---

15) In the judgment of the CJEU 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”.

16) 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.

17) The applicant's *watches* are clearly identical to the opponent's *watches* in class 14.

18) The opponent contends that the applicant's services in class 35 are identical to its 'Retail services in the field of luxury goods provided via the Internet and other computer and electronic communication networks' on the basis that 'precious metals and their alloys, precious and semi-stones, parts and fittings for the above' are types of 'luxury goods'.

19) In *Frag Comercio Internacional, SL, v OHIM*, Case T-162/08, the General Court ('GC') 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. Further, in *Chartered Institute of Patent Attorneys v Registrar of Trade Marks*, Case C-307/10 the CJEU held that:

“64. Therefore, the answer to the questions referred is that:

– Directive 2008/95 must be interpreted as meaning that it requires the goods and services for which the protection of the trade mark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection conferred by the trade mark;”

In *Advance Magazine Publishers, Inc. v OHIM*, Case T-229/12, the GC held that ‘accessories’ is a vague term and the OHIM Board of Appeal therefore erred in law in comparing it with ‘umbrellas’. It therefore appears that where a term is not sufficiently precise to identify the characteristics of the goods (or services) at issue, that term cannot be the subject of a finding that it covers goods/services which are similar to other goods/services.

20) Bearing in mind the above case law, I consider the opponent’s ‘Retail services in the field of luxury goods provided via the Internet and other computer and electronic communication networks’ to lack the necessary clarity and precision to enable me to conduct a proper comparison with the kind of retail services covered by the applicant’s mark. This is because I consider the term ‘luxury goods’ within that term to be too vague to properly identify the nature of the said goods and therefore too vague to properly identify the nature of the retail service referred to.

21) The opponent makes no submissions as to why I should find the rest of the goods and services covered by its marks to be similar to the applicant’s retail services. Bearing this in mind and having regard, in particular, for the respective nature, intended purpose and methods of use, I find no overall similarity between them. It follows that the ground of opposition under section 5(2)(b) has no prospect of success<sup>3</sup> against the applicant’s class 35 services and I will make no further mention of them in my assessment under this ground.

---

<sup>3</sup> See, for example, *Waterford Wedgwood plc v OHIM* – C-398/07 P, where the CJEU stated: “35...Since the Court of First Instance found, in paragraph 35 of the judgment under appeal, that the goods in question were not similar, one of the conditions necessary in order to establish a likelihood of confusion was lacking (see, to that effect, *Canon*, paragraph 22) and therefore, the Court of First Instance was right to hold that there was no such likelihood.”

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

22) 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.”

23) The average consumer for ‘watches’ is the general public. Their cost is likely to vary considerably and will depend on factors such as their quality, the materials from which they are made, the craftsmanship that may have gone into the production and so on. Generally speaking, I would expect at least an average degree of attention to be paid during the purchase. They are goods that are likely to be purchased primarily by sight with the consumer being likely to take into account not only the functional features of the watch but also its size, fit and general aesthetic appeal. However, I bear in mind that aural use of the mark may play a part where, for example, the consumer must request to see the watch after selecting it from a display in a shop window or glass cabinet.

## **Comparison of marks**

24) 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. The marks to be compared are:

### **IWC v IWL (INSTYLE WATCHES LONDON)**

25) The opponent's mark consists of the three letters IWC presented in a standard font. The mark does not lend itself to deconstruction into separate elements; its overall impression is based on those three letters as a whole with no one letter dominating the others. The applicant's mark breaks down into two elements; the first is the letters 'IWL' and the second is '(INSTYLE WATCHES LONDON)'. The applicant accepts that the latter element is not distinctive (in its counterstatement and evidence it states that it added the letters IWL to make the mark as a whole distinctive after its application for the words 'INSTYLE WATCHES LONDON' was refused by the trade mark examination section). However, despite its lack of distinctiveness, the '(INSTYLE WATCHES LONDON)' element does have substantial visual impact and contributes to the overall impression in more than a negligible way. I find that the two elements make a roughly equal contribution to the overall impression of the mark.

26) Visually, both marks contain a string of three letters. In the applicant's mark, those letters are IWL and in the opponent's mark they are IWC. The other element of the applicant's mark shares no counterpart in the opponent's mark. There is a moderate degree of visual similarity overall.

27) Aurally, there is some similarity between the opponent's mark and the IWL element of the applicant's mark given that both share the letters 'IW' at the beginning. However, the third letter 'C' in the opponent's mark differs to the sound of the letter 'L' at the end of the first element of the applicant's mark. There is also the difference created by the second element of the applicant's mark which is absent from the opponent's mark. It may be that only the first element of the applicant's mark is vocalised. If that is the case, there would be a good degree of aural similarity between the marks. However, allowing for articulation of the whole of the applicant's mark, there would be a moderate degree of aural similarity.

28) Conceptually, the opponent's mark evokes no immediately graspable concept, being merely a string of three letters. The meaning of the second element of the applicant's mark, INSTYLE WATCHES LONDON, will be grasped immediately and requires no explanation. The consumer may or may not perceive the 'IWL' element as being an abbreviation for that meaning; either way, there is a conceptual difference between the marks owing to the INSTYLE WATCHES LONDON concept of the applicant's mark which is absent from the opponent's mark. However, given my earlier comments regarding the admission by the applicant of the non-distinctive nature of that element, this is not a distinctive conceptual difference.

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

29) 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).”

30) Inherently, the opponent’s mark does not describe or allude to ‘watches’. I consider it to have a normal level of inherent distinctiveness.

31) Turning to the question of whether the mark’s inherent distinctiveness has been elevated through the use made of it, the evidence shows that the opponent’s IWC watches have been sold throughout the UK. Although most stores are located in the greater London area, there are many other stores located in various locations from Aberdeen to Cardiff to Southampton. Advertising and promotional spend in relation to IWC watches has been substantial. Examples include advertisements in widely distributed publications such as *The Financial Times* and sponsorship of high profile events such as the British Film Festival. None of this evidence has been challenged by the applicant. I find that it establishes that the IWC mark has been used in the UK to the extent that it enjoys a high level of distinctiveness in relation to ‘watches’.

## **Likelihood of confusion**

32) 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 more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) 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.*).

33) I have found identity between the applicant's goods in class 14 and the opponent's goods. In terms of the marks, I found a moderate degree of visual similarity and a good/moderate degree of aural similarity depending on whether the whole of the applicant's mark is articulated. As to concept, I found that, although there is a conceptual difference between the marks, it is not a distinctive one. Weighing all of these factors against each other and keeping in mind that at least an average degree of attention is likely to be paid during the mainly visual purchase, meaning that my finding of only a moderate degree of visual similarity between the marks is particularly important, I come to the conclusion that there is no likelihood of confusion, notwithstanding the high degree of distinctiveness of the earlier mark and the identical goods in play. The ground under section 5(2)(b) fails.

### **Section 5(3)**

34) Section 5(3) of the Act provides:

“(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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

35) The leading cases in assessing a claim under section 5(3) of the Act are the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and 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 later mark would cause an average consumer to bring 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 likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.
- (g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.
- (h) 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*).

## Reputation

36) The required level of reputation was described by the CJEU in *General Motors* in the following way:

“23. ... In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

37) I have already commented earlier in this decision on the use that has been made of the opponent's European IWC mark in relation to watches. I am satisfied that there has been longstanding use throughout the UK for those goods and the amount spent on advertising and promotion has been substantial with adverts in publications such as The Financial Times and sponsorship of high-profile events. In *Pago International GmbH v Tirolmilch registrierte GmbH*<sup>4</sup> the CJEU held that a reputation in a single member state may be sufficient to constitute the required reputation in "a substantial part of the territory of the Community". I find that the IWC mark has a strong reputation for watches in the UK and that that reputation also qualifies as a reputation in the community (or, as it is now known, the EU). The evidence also clearly establishes that the nature of that reputation is one of luxury, exclusivity and high quality. This is supported by numerous aspects of the evidence which shows that a number of the watches bearing the IWC mark are exquisitely crafted, are often produced in limited number, are generally very expensive and can be found in select retail environments such as The Fine Watch Room in Harrods. I have no doubt that, insofar as watches are concerned, it is a mark with considerable cachet. I find no reputation for any of the other goods relied upon as there is no evidence showing any use in relation to those goods.

### **The link**

38) In addition to having a reputation, a link must be made between the applicant's trade mark and the earlier mark. In *Adidas-Salomon*, the CJEU stated:

"The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 General Motors [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors

---

<sup>4</sup> Case C-301/07

relevant to the circumstances of the case (see, in respect of the likelihood of confusion, SABEL, paragraph 22, and Marca Mode, paragraph 40).”

39) In *Intel* the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

40) Most of the above factors have already been assessed under section 5(2)(b). As to the first factor, I have found that the marks are visually similar to a moderate degree, aurally similar to a good/moderate degree and although there is a conceptual difference between the marks, it is not a distinctive one. As to the second factor, there is identity between the opponent’s reputed ‘watches’ and the applicant’s ‘watches’. In terms of the applicant’s class 35 services, I found that these were not similar to the opponent’s ‘watches’. Nevertheless, I consider that the relevant public for those goods and services may overlap. In respect of the third and fourth factors, the opponent’s mark has a strong reputation and a high degree of distinctive

character through the use made of it. Finally, as regards the fifth factor, I found there to be no likelihood of confusion.

41) Weighing all of the abovementioned factors against each other, I come to the view that the similarities that exist between the marks together with the strong reputation and high degree of distinctiveness of the earlier mark and the identity between the respective 'watches' will result in the relevant public bringing the opponent's IWC mark to mind when encountering the applicant's goods bearing the contested mark. As regards the applicant's services, despite the lack of similarity between those and the opponent's reputed goods, I find that, given that the relevant public for those goods and services may nevertheless overlap and the similarities between the marks (and in this regard keeping in mind that the conceptual difference between the marks stems from the applicant's mark making reference to types of watches which are the precise goods in which the earlier mark enjoys a reputation), the relevant public are also likely to bring to mind the opponent's highly distinctive and strongly reputed mark in relation to those services. A link will be made.

### **Unfair advantage**

42) There is no evidence to suggest that the applicant chose the subject trade mark with the intention of exploiting the opponent's reputation. However, I note that 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.” (my emphasis)

43) I find that there is a risk that the link that consumers will make between the respective marks will result in the characteristics associated with the earlier mark, namely the mark's reputation for high quality, luxuriousness and exclusivity, transferring to the applicant's mark. Consequently, the applicant's goods and services would become more attractive to consumers who are familiar with the opponent's goods and repute making it easier for the applicant to gain custom. The consumer may, for instance, wonder whether they can expect the same level of quality, luxury and/or exclusivity from the applicant's goods and services and purchase them as a result. This will give the applicant a commercial leg-up in the form of more custom it would not have otherwise enjoyed. As this would come without paying any compensation to the opponent, and without the applicant expending the money necessary to create a market for its own goods and services in the UK, this is unfair advantage. The ground under section 5(3) succeeds. Having reached this conclusion, I do not consider it necessary to consider the other heads of damage under this ground or the other pleaded grounds

## **SUMMARY**

44) The opposition succeeds.

## **COSTS**

45) As the opponent has been successful, it is entitled to a contribution towards the costs it has incurred in these proceedings. 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:

Preparing a statement and considering the counterstatement	£200
Official fee	£200
Preparing evidence	£500
Written Submissions	£300
<b>Total:</b>	<b>£1200</b>

46) I order Suveen Kapoor to pay Richemont International S.A. the sum of **£1200**. 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 01<sup>ST</sup> day of June 2017**

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