

O-290-17

TRADE MARKS ACT 1994

**IN THE MATTER OF
APPLICATION NO 3129202
BY BUNNINGS GROUP LIMITED
TO REGISTER THE TRADE MARK**

SUNLINE

**IN CLASSES 19, 20, 24 & 37
AND
OPPOSITION THERETO (UNDER NO. 405985)
BY
LEINER GMBH**

Background

1) On 29 September 2015, Bunnings Group Limited ('the applicant') applied to register **SUNLINE** as a trade mark for the following goods and services:

Class 19: Non-metallic or non-textile outdoor blinds; including blackout blinds; screens; shades; curtains; venetian blinds, vertical blinds, roller blinds, horizontal slatted blinds, window blinds and PVC blinds; polyvinyl chloride blinds; window blinds; acrylic blinds; parts, fittings and accessories for the foregoing.

Class 20: Outdoor textile blinds, including blackout blinds; blinds; horizontal slatted blinds; horizontal venetian blinds; thermal blinds; pleated blinds; roller blinds; roller screens in the nature of blinds; canvas blinds; venetian blinds; window blinds.

Class 24: Textile materials for use in the manufacture of blinds; parts and accessories for the foregoing.

Class 37: Construction, fabrication, fitting, installation and repair of interior and exterior awnings, canopies, covers, blinds, shutters, screens, shades, louvers and window coverings.

2) The application was published for opposition purposes on 06 November 2015 and notice of opposition was filed thereafter by Leiner GmbH ('the opponent'). The opponent claims that the application offends under sections 5(2)(b) and 3(1)(b) and (c) of the Trade Marks Act 1994 ('the Act'). The claim under section 5 is directed against all of the goods and services applied for; the claims under section 3 are only directed against the goods in classes 19, 20 and 24.

3) In relation to the 5(2)(b) ground, the opponent relies upon the following earlier trade mark and goods:

EU4462511

SUNRAIN

Class 6: Awnings and conservatory shades of metal

Class 19: Awnings and conservatory shades, not of metal.

Class 22: Awnings of plastic; awnings of textile.

Filing date: 31 May 2005

Priority Date: 28 February 2005 (Germany)

Date of entry in the register: 03 July 2006

The opponent claims that the respective marks are highly similar visually, aurally and conceptually and that the respective goods and services are either identical or highly similar such as to give rise to a likelihood of confusion on the part of the average consumer.

4) The opponent's trade mark is an earlier mark in accordance with section 6 of the Act and, as it had been registered for more than five years before the publication date of the applicant's mark, it is subject to the proof of use requirements, as per section 6A of the Act. The opponent made a statement of use in respect of all the goods relied upon.

5) The applicant filed a counterstatement. Insofar as the ground under section 5(2)(b) is concerned, it put the opponent to proof of use of its earlier mark for all of the goods relied upon. The applicant accepts that there is similarity between the parties' goods and services. However, it argues that the respective marks are visually, aurally and conceptually dissimilar such that there is no likelihood of confusion. In relation to the claims under sections 3(1)(b) and (c), it denies those grounds, submitting that, whilst the mark may be suggestive of qualities of the goods at issue, it is not descriptive or non-distinctive in relation to them.

6) The opponent filed evidence in support of its claim to have used its earlier mark in the EU for the goods relied upon. It filed no evidence in support of the grounds under sections 3(1)(b) and (c); its factual case under those grounds is therefore limited to the dictionary definitions provided in the notice of opposition. The applicant filed submissions only. Neither party requested to be heard; only the opponent filed submissions in lieu.

Evidence

7) The opponent's evidence comes from Jurgen Schulz, managing director of Leiner GmbH. I do not consider it necessary to set out details of the information provided in that evidence, other than to say that it purports to show genuine use of the earlier mark in Germany in the relevant period. Owing to the findings in this decision and, in the interests of procedural economy, I shall assume that the opponent has established genuine use of its mark in the EU in respect of all of the goods on which it relies.

5(2)(b)

8) 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.”

9) 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 and services

10) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05 (*Merici*), the GC stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

The applicant's 'shades' in class 19 encapsulate the opponent's 'conservatory shades, not of metal' in the same class. Those goods are therefore identical in accordance with *Merici*.

11) Insofar as the applicant's remaining goods and services are concerned, the opponent claims that these are highly similar to its goods. 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”.

12) 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.

13) In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that

customers may think that the responsibility for those goods lies with the same undertaking”.

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

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

Whilst on the other hand:

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

15) As I have already indicated, the applicant accepts that there is similarity between its goods and services and the opponent’s goods. However, it says nothing about the degree of similarity. Having regard for the factors highlighted in the case law above, and in particular, the obvious overlap in purpose, nature, trade channels and method of use of the respective goods, I agree with the opponent that the degree of similarity between the remaining goods and services of the applicant and the opponent's goods is high.

Average consumer and the purchasing process

16) It is necessary to determine who the average consumer is for the respective goods and services 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.”

The average consumer of most of the parties’ goods and services is an ordinary member of the public. However, as regards the applicant’s textile materials in class 24, I would expect these to be purchased primarily by businesses in the trade of blind manufacturing. The degree of attention is likely to vary depending upon the exact goods and services in question. For instance, a large awning to be attached to a house above a patio area is likely to be reasonably expensive and the service of fitting such an awning will no doubt necessitate discussions with sales representatives to ensure the desired result. On the other hand, a ready-made blind for a small window inside the house will be at the lower end of the cost scale. Regardless of cost, I would expect both types of consumer to pay at least an average degree of attention during the selection process of all the goods and services, given that a number of factors such as size, aesthetics and ease of use may be taken into account. All of the goods and services are likely to be purchased mainly by eye. However, I do not discount the potential for aural use of the marks.

Comparison of marks

17) 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.

18) The marks to be compared are:

SUNRAIN v SUNLINE

In terms of overall impression, although the average consumer is likely to recognise that both marks consist of a conjoining of two well-known English words (SUN and RAIN on the one hand, and SUN and LINE on the other), I do not consider that either mark is dominated by one word more than the other. The overall impression and distinctiveness of each mark rests in the whole.

19) Visually, both marks consist of seven letters in a standard font. There is a clear point of similarity owing to the presence of the same three letters, SUN, at the beginning of the marks. The opponent argues that a further point of visual similarity rests in both marks containing the letters 'I' and 'N' alongside one another towards the ends of the marks. I note this, however, in the opponent's mark those letters are preceded by the letters 'RA' whereas, in the applicant's mark, they are bookended by the letters 'L' and 'E'. Overall, I disagree with the opponent that the marks are highly visually similar. Rather, I find there to be a medium degree of visual similarity.

20) Aurally, the opponent argues that the signs are very similar given the common SUN pronunciation at the start of both marks and the common 'N' sound towards the ends of the marks. I do not agree that those points of similarity render the marks very similar to the ear. In my view, SUN-RAIN and SUN-LINE are aurally similar to a medium degree.

21) Conceptually, there is a degree of similarity given that both marks bring to mind something to do with the sun.

Distinctive character of the earlier mark

22) 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).”

I have no evidence before me of any use of the earlier mark in the UK and so I can only consider its inherent distinctiveness. The mark will be perceived as the two well-known English words SUN and RAIN conjoined. I consider the mark as a whole to be somewhat allusive of the intended purpose of the opponent's awnings and conservatory shades given that they may be used to shelter from the sun and/or rain. In my view, SUNRAIN is possessed of a below average degree of inherent distinctiveness.

Likelihood of confusion

23) 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.*).

24) The goods are identical or highly similar which is an important factor weighing in the opponent's favour. The marks are visually and aurally similar to a medium

degree and there is a degree of conceptual similarity owing to the common bringing to mind of something to do with the sun. However, given the relevance of that concept to the goods at issue (which may be used to block out/shelter from the sun) this is not a strong point in the opponent's favour. Having weighed these factors against each other, and having regard for the below average degree of distinctiveness of the earlier mark, I do not consider that a member of the public or a member of the trade in the manufacture of blinds, paying at least an average degree of attention, is likely to mistake one mark for the other (there is no likelihood of direct confusion) or believe that the respective goods come from the same or linked undertaking(s) (there is no likelihood of indirect confusion). **The ground of opposition under section 5(2)(b) of the Act fails.**

Section 3(1)(b) & (c)

25) The relevant part of the Act states:

“3(1) The following shall not be registered –

- (a) ...
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) ...

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

26) As the applicant has not filed any evidence of the use it may have made of its mark, the proviso to section 3 of the Act does not come into play. Consequently, I have only the inherent distinctiveness of the mark to consider.

27) The matter must be assessed from the perspective of the relevant consumer of the goods at issue, including those in the trade.¹ As I have already noted, in the instant case the average consumer is the general public for the majority of the goods and, insofar as the goods in class 24 are concerned, primarily those in the blind manufacture trade. As the applicant states, those consumers are to be regarded as reasonably well-informed and reasonably observant and circumspect.

28) The opponent's objections under both grounds are bundled up together and are framed in the following way:

“1.2. The word “sun” has a clear descriptive meaning in the context of products which are for shielding from the sun, including all the goods in classes 19, 20 and 24 of the Applicant's mark. All kinds of blinds, screens, shades and curtains are for fitting to the exterior or interior of windows or glass roofs, and one function thereof is to shield or block out the sun. Indeed, there are such common terms for these products as sun blinds, sun screens, sun shades and so on, due to their intended purpose. Therefore, the word “sun” on its own is clearly one which would be refused registration for being descriptive for these particular goods”.

1.3. One definition of the word “line” is: “24. *One kind of product or article; a nice line in hats.*” (Collins English Dictionary). Therefore, this word also has a clear descriptive meaning in the context of all the goods in classes, 19, 20 and 24, because it directly refers to a line of such products. This word would be descriptive in the context of any goods. See in particular: C104/00 P, Judgment of the Court (Fifth Chamber) 19 September 2002, dismissing the appeal of DKV Deutsche Krankenversicherung AG against refusal of the mark COMPANYLINE. This decision states at paragraph 7:

‘The Court of First Instance found, first, in paragraph 26 of the contested judgment, that the sign for which registration had been

¹ *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04, para 24

refused was composed exclusively of the words ‘company and ‘line, both of which are customary in English-speaking countries. The word ‘company suggested that what was in point were goods or services intended for companies or firms. The word ‘line had various meanings. In the insurance and financial services sector it denoted, amongst other things, a branch of insurance or a line or group of products. They were thus generic words which simply denoted a line of goods or services for undertakings.’

1.4. The coupling together of the words “sun” and “line” without any graphic or semantic modification does not generate any additional distinctive characteristic which would make the word SUNLINE capable of distinguishing the goods in classes 19, 20 and 24 from those of other undertakings. SUNLINE just means a range of sun protection products. Paragraph 7 of C104/00 P continues from the above:

‘Coupling them together without any graphic or semantic modification thus did not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing the appellant’s services from those of other undertakings. The sign ‘Companyline was therefore devoid of any distinctive character.’

The same is true in this instance because coupling the descriptive words “sun” and “line” together does not make those words any more than themselves.

1.5 Attention is also drawn to the Multi Component Marks section of the Manual of Trade Mark Practice, which affirms that a trade mark which is composed of a number of elements, each of which is descriptive of the goods/services in the application, is excluded from registration under section 3(1)(c) unless the trade mark is perceptibly more than the sum of its parts. This section specifically references the BIOMILD case (C-265/00 Campina Melkunie BV v Benelux-Merkenbureau), as well EUROLAMB and MULTIBLADE. It is the Opponent’s contention that the mark SUNLINE can be

ranked alongside these examples of marks which are excluded from registration under section 3(1)(c).

1.6 Therefore, the Applicant's mark should be refused registration because it is either devoid of distinctive character under section 3(1)(b) of the UK Trade Marks Act 1994, or it consist exclusively of signs or indications which may serve in trade to designate the kind, quality, intended purpose, value, geographical origin, the time of production of goods or rendering of services, or other characteristic of goods or services under Section 3(1)(c) of the UK Trade Marks Act 1994."

29) I note the opponent's reference to the COMPANYLINE case and to the examples in the work manual. Before I turn to assess the grounds under section 3 in the case before me, I should point out that I am not bound by those decisions/examples. That is not to say that I have ignored them, but I do not consider any of them to be on all fours with the instant case. The examples from the work manual bear no resemblance to the marks or goods before me and insofar as the COMPANYLINE case is concerned, the decision in that case was made on the basis of the particular facts pertaining to it; I do not conclude from that case that every combination of a common word with a readily understandable meaning with the word 'LINE' will be descriptive and/or non-distinctive when considered as a whole. Every case must be assessed on its own merits taking into account the particular facts of the case.

3(1)(c)

30) I will begin by considering the opponent's objection under section 3(1)(c). The case law under this ground was summarised by Arnold J. in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

"91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18 , paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461 , paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and *Lego Juris v OHIM* (C-48/09 P) , paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient

that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of

distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94 , the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56)."

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”

31) I agree with the opponent that the mark is likely be broken down by the consumer into the two instantly recognisable everyday words ‘SUN’ and ‘LINE’. I also accept that ‘LINE’ *per se* can be used to refer to a group of products of a particular kind. As to the word ‘SUN’ *per se*, although the opponent has filed no evidence in support of its contention that “there are such common terms for these products as sun blinds, sun screens, sun shades and so on”, I nevertheless accept that the word SUN (which is a common word with a readily understandable meaning) is likely to have limited, if any, distinctiveness in relation to the applicant’s goods given that one purpose thereof may be to block out/shade from the sun (particularly in relation to the applicant’s ‘shades’). However, it does not automatically follow that the combination of those two words will be perceived as a mere description of the goods or one of their characteristics. In this regard, I am mindful of the comments of Mr Iain Purvis QC, sitting as the Appointed Person, in *PutterScope* BL O/96/11 where he said:

“8...Although I agree that it necessary for the purpose of explanation to break down the mark into its component parts, one must be aware of the danger that such an iterative approach may be unfair to the applicant. Each individual part of a mark may be non-distinctive, but the sum of the parts may have distinctive character – see *Satelliten Fernsehen GmbH v OHIM* [2005] ETMR 20 [SAT 1], at paragraph 28. Ultimately the decision making tribunal must stand back from the detailed breakdown of the mark and envisage how the entire trade mark would be understood by the public when applied to the goods of the specification. Would the average consumer consider that it was a trade mark indicating goods from a particular source or would they consider that it simply indicated the function of the goods?”

32) In deciding whether the mark, as a whole, is likely to be perceived as a mere description of the goods or a characteristic thereof, I bear in mind the comments of the CJEU in *Campina Melkunie BV and Benelux-Merkenbureau* Case C-265/00 in which it stated that:

“39. As a general rule, the mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics within the meaning of Article 3(1)(c) of the Directive even if the combination creates a neologism. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

40. However, such a combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition will have to be satisfied as regards both the aural and the visual impression produced by the mark.

41. Thus, a mark consisting of a neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of those characteristics within the meaning of Article 3(1)(c) of the Directive, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.

42. For the purposes of determining whether the ground for refusal set out in

Article 3(1)(c) of the Directive applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services referred to in the application for registration. Although Article 3(1)(c) of the Directive provides that, if the ground for refusal set out there is to apply, the mark must consist exclusively of signs or indications which may serve to designate characteristics of the goods or services concerned, it does not require that those signs or indications should be the only way of designating such characteristics.

43. The answer to the questions referred for a preliminary ruling must therefore be that Article 3(1)(c) of the Directive must be interpreted as meaning that a trade mark consisting of a neologism composed of elements each of which is descriptive of characteristics of the goods or services in respect of which registration is sought is itself descriptive of the characteristics of those goods or services for the purposes of that provision, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.”

33) I also remind myself that the absence of any evidence from the opponent showing that the term SUNLINE was actually in use in the relevant trade at the date the application was made is not fatal to its case. Rather, the correct approach is to ask whether the term could be used for that purpose².

34) Standing back and viewing the mark as a whole, I come to the view that the neologism, SUNLINE, is likely to be perceived as an unusual combination in relation to the goods. In particular, I consider the overall meaning of the mark to be somewhat unclear such that I do not consider there to be a sufficiently direct and specific relationship between the mark and the goods at issue. In my view, the

² *Wm Wrigley Jr & Company v OHIM* C-191/0P

average consumer would not immediately, and without further thought, perceive a description of the goods or a characteristic thereof. I find that the mark creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the individual words of which it is composed. I agree with the applicant that, whilst the mark has allusive qualities when used in relation to goods which may be used to shelter from the sun, it does not fall foul of section 3(1)(c). **The opposition under section 3(1)(c) of the Act fails.**

3(1)(b)

35) The opponent's objection under this ground appears to me be the same as that advanced under section 3(1)(c) i.e. that the mark is descriptive of a characteristic of the goods and is therefore non-distinctive. I cannot detect any other argument in the opponent's submissions (set out at paragraph 14 above) as to why the mark falls foul of section 3(1)(b). It follows that, as I have already found that the mark is not descriptive, the section 3(1)(b) should also automatically fail. (see the comments of Anna Carboni, sitting as the Appointed Person in O-363-09 *COMBI STEAM Trade Mark*). However, for the sake of completeness, and in case I have misconstrued the opponent's submissions, I will briefly consider whether the mark is *prima facie* non-distinctive under section 3(1)(b) for any reason other than because it designates a characteristic of the goods.

36) The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)."

I bear in mind that the considerations under sections 3(1)(b) and (c) are different such that a mark found not to fall foul of the latter ground because it does not designate a characteristic of the goods may nevertheless fall foul of the former

ground because it is non-distinctive for some other reason. However, having regard for the above case-law, it is not clear to me why the mark SUNLINE should be deemed to be non-distinctive in relation to the relevant goods despite not being descriptive of a characteristic thereof. In my view, the unusual nature of the combination of SUN and LINE and the unclear meaning that it sends, renders the mark, as a whole, capable of serving to identify the goods in respect of which registration is sought as originating from a particular undertaking, and thus to distinguish those goods from those of other undertakings. **The opposition under section 3(1)(b) of the Act fails.**

Summary

37) The opposition fails in its entirety.

Costs

38) As the applicant 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 date of commencement of these proceedings, I award the applicant costs on the following basis:

Preparing a statement and considering the opponent's statement	£200
Considering the opponent's evidence	£200
Written Submissions	£300
Total:	£700

39) I order Leiner GmbH to pay Bunnings Group Limited the sum of **£700**. 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 23rd day of June 2017

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