

**O-074-18**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3191387  
BY YONG HEI TO REGISTER:**

**Cotton Republic**

**AS A TRADE MARK IN CLASS 25**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 408539 BY REPUBLIC IP LIMITED**

## BACKGROUND & PLEADINGS

1. On 15 October 2016, Yong Hei (“the applicant”) applied to register the trade mark **Cotton Republic** for goods in class 25 (shown in paragraph 10 below). The application was published for opposition purposes on 18 November 2016.

2. On 14 February 2017, the application was opposed in full by Republic IP Limited (“the opponent”). The opposition is based upon section 5(2)(b) of the Trade Marks Act 1994 (“the Act”), in relation to which the opponent originally relied upon three European Union Trade Mark (“EUTM”) registrations. Following amendment, the opponent now only relies upon two trade marks i.e.

(1) No. 10895761 for the trade mark shown below which was applied for on 18 May 2012 and registered on 26 September 2012. The opponent indicates that it relies upon the goods and services in its registration shown below:

**REPUBLIC**  
OF

**Class 25:** Articles of clothing; footwear; headgear; belts.

**Class 35:** Retail services, mail order services, e-tailing services, all relating to clothing, footwear and headgear.

(2) No. 11498516 for the trade mark **@Republic** which was applied for on 18 January 2013 and registered on 3 May 2013. The opponent indicates that it relies upon the goods in its registration shown below:

**Class 25:** Articles of clothing; footwear; headgear; belts.

3. The opponent states:

“4. The Subject mark contains the whole word REPUBLIC which is wholly contained within the Opponent's marks, of which REPUBLIC forms the dominant element in all instances. Moreover the additional word element in the Subject mark of COTTON does not serve to differentiate the respective marks. In fact, it is submitted that the word 'Cotton' is descriptive of the majority, if not all, of the goods covered by the Subject mark and as such adds no distinctive character to the Subject mark in any way. The memorable and distinctive, dominant component of the Subject mark is clearly REPUBLIC, identically contained in the Opponent's marks.

5. The Subject mark also covers identical or highly similar goods to those covered under the Opponent's marks.”

4. The applicant filed a counterstatement in which the basis of the opposition is denied. He raises a number of points in defence of his application which I will return to later in this decision.

5. In these proceedings, the opponent is represented by Lane IP Limited and the applicant by Mr John Wood. Although neither party filed evidence, both filed written submissions during the course of the evidence rounds. Whilst neither party asked to be heard, the opponent elected to file written submissions in lieu of attendance at a hearing. While I will refer to these submissions, as necessary, later in this decision, I should explain that attached to the applicant's submissions were a number of attachments. Had the applicant wished to rely upon the contents of these attachments in these proceedings, they ought to have been filed in proper evidential format as exhibits to, for example, a witness statement and statement of truth. However, even if

they had been provided in the correct format, for reasons which I will return to later in this decision, they would not have assisted the applicant.

## **DECISION**

6. The opposition is based upon section 5(2)(b) of the Act which reads as follows:

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

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

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

7. An earlier trade mark is defined in section 6 of the Act, which states:

“6. - (1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

8. In these proceedings, the opponent is now relying upon the two EUTMs shown in paragraph 2 above, both of which qualify as earlier trade marks under the above

provisions. As neither of these earlier trade marks had been protected for more than five years at the date the application was published, they are not subject to the proof of use provisions contained in section 6A of the Act. As a consequence, the opponent is entitled to rely upon these trade marks in relation to the goods and services it has identified without having to demonstrate genuine use. Although in its submissions the applicant draws a number of negative inferences in relation to the opponent's decision not to continue to rely upon its trade mark which would have been subject to the proof of use provisions, for the avoidance of doubt, I do not.

### **Section 5(2)(b) – case law**

9. The following principles are gleaned from the decisions of the courts of the European Union in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

#### **The principles:**

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater 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. The competing goods and services are as follows:

<b>Opponent goods and services</b>	<b>Applicant’s goods</b>
<p><b>Trade mark no. (1)</b></p> <p><b>Class 25:</b> Articles of clothing; footwear; headgear; belts.</p> <p><b>Class 35:</b> Retail services, mail order services, e-tailing services, all relating to clothing, footwear and headgear.</p> <p><b>Trade mark no. (2)</b></p> <p><b>Class 25:</b> Articles of clothing; footwear; headgear; belts.</p>	<p><b>Class 25</b> - Gloves; Hosiery; Leggings; Neckties; Scarfs; Socks; Stockings; Swimwear; Underpants; Underwear.</p>

11. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, the General Court (“GC”) stated:

“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 the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more

general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedral v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

12. In its submissions filed during the evidence rounds, the opponent, by reference to the case mentioned above, stated:

“24. The earlier marks of the Opponent cover inter alia the broad term 'articles of clothing' in Class 25. All of the goods in the Subject Mark are items of clothing for wear. Therefore, it is undeniable that the respective goods are identical...”

13. In view of the principles outlined in *Meric*, the opponent is clearly correct and the applicant’s goods must be regarded as being identical to those the opponent has identified. That being the case, there is no need for me to go on and consider the position based upon the opponent’s services in class 35.

### **The average consumer and the nature of the purchasing act**

14. As the case law above indicates, it is necessary for me to determine who the average consumer is for the identical goods at issue; I must then determine the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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.”

15. In *New Look Limited v OHIM*, joined cases T-117/03 to T-119/03 and T-171/03 the GC stated:

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

16. The average consumer of the goods at issue is a member of the general public buying on their own behalf or a business user buying on behalf of a commercial undertaking. As a member of the general public will, for the most part, self-select the goods from the shelves of a bricks and mortar retail outlet or from the equivalent pages of a website or catalogue, visual considerations are, as the case law explains, likely to dominate the selection process. That said, as such goods may also be the subject of, for example, word-of-mouth recommendations or oral requests to sales assistants (both in person and by telephone), aural considerations must not be forgotten. I see no reason why a business user would not select the goods in much the same way, with intermediaries such as wholesalers and trade-focused sales representatives also likely to feature in the process.

17. In its submissions, the opponent characterises the degree of care the average consumer will display when selecting the goods at issue as “normal” (paragraph 27). The cost of the goods can vary considerably. However, as the average consumer will be

alive to factors such as cost, size, colour, material and compatibility with other items of clothing, a member of the public can, I agree, be expected to pay a normal degree of attention to their selection. As the cost and/or importance of the item increases (a wedding dress for example), so too is likely to be the degree of care paid to its selection. I think a business user selecting for commercial purposes where, for example, larger sums may be in play and contracts may be negotiated over a period of time, is likely to pay a somewhat higher degree of attention when selecting the goods at issue.

### **Comparison of trade marks**

18. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by them, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (“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.”

19. It would be wrong, therefore, artificially to dissect the trade 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 they create. The trade marks to be compared are:

Opponent's trade marks	Applicant's trade mark
<p data-bbox="186 245 342 296"><b><u>REPUBLIC</u></b> OF</p> <p data-bbox="186 527 342 558">@Republic</p>	<p data-bbox="824 245 1052 277">Cotton Republic</p>

20. In reaching the conclusions which follow, I have taken into account (but do not intend to record here) all the competing submissions on this aspect of the case.

21. The opponent's trade marks are shown above. The first, consists of the word "REPUBLIC" presented in block capital letters in a bold font and underlined in bold. Below this, and in much smaller letters, there appears the word "OF" also presented in block capital letters. Assuming it is noticed at all, the underlining has no distinctive character and will make little or no contribution to the overall impression the trade mark conveys. Both of the words and their meanings will be very well-known to the average consumer. Although they form a unit which poses the question "the republic of what?", given its size and positioning, it is the word "REPUBLIC" which will dominate the overall impression conveyed and which makes by far the greater contribution to the trade mark's distinctive character.

22. The second trade mark consists of the "at" symbol and the word "Republic", the latter presented in a conventional font in title case. Although the "at" symbol appears first, as the average consumer will be aware that this symbol is commonly used in email addresses and social media platform handles, it has no distinctive character and will play only a modest part in the overall impression conveyed. Like the opponent's first trade mark, it is the word "Republic" which dominates the overall impression conveyed and which makes the overwhelming contribution to its distinctive character.

23. The applicant's trade mark consists of two words, both are presented in a conventional font in title case. Both words and their meanings will, once again, be very well-known to the average consumer. Although forming a unit in which both words will make a roughly equal contribution to the overall impression the trade mark conveys, given the likely descriptive nature of the word "Cotton" in relation to the goods at issue, it is, in my view, the word "Republic" which makes by far the greater contribution to the trade mark's distinctiveness.

24. I will now compare the competing trade marks with these conclusions in mind. The opponent's first trade mark consists of ten letters and its second, a punctuation symbol and eight letters, whereas the applicant's trade mark consists of fourteen letters. The last eight letters of the applicant's trade mark are, however, identical to the word "REPUBLIC"/"Republic" in the opponent's trade marks, resulting, in my view, in a medium degree of visual similarity between the competing trade marks.

25. When considered from an aural perspective, the opponent's trade marks will be verbalised as the four syllable combinations "RE-PUB-LIC OF" and "At-Re-pub-lic" respectively, and the applicant's trade mark as the five syllable combination "Cot-ton Re-pub-lic". Although the second of the opponent's trade marks and the applicant's trade mark have a component which will be verbalised before the word "Republic", the fact that all the competing trade marks contain that word (which will be articulated in an identical manner) results, once again, in a medium degree of aural similarity between the opponent's trade marks and the applicant's trade mark.

26. Finally, the conceptual comparison. In its submissions, the applicant states that its trade mark "will convey the meaning of comfort and warm place" (sic). Whilst that may have been the applicant's subjective intention, that is not the conceptual message its trade mark conveys to me nor, in my view, is it likely to be the conceptual message conveyed to the average consumer. In its submissions filed in lieu of a hearing, the opponent states:

“The Applicant also comments on the alleged conceptual differences between the respective marks but the fact remains that all marks refer to the concept of a ‘republic.’ A ‘cotton republic’ is still a ‘republic’ and therefore, there is clearly still a conceptual similarity and overlap between the respective marks”.

27. Given my comments above as to how the applicant considers its trade mark will be conceptualised, the opponent’s view is to be preferred. As the word “OF” and “the @” symbol in the opponent’s trade marks and the word “Cotton” in the applicant’s trade mark do nothing to modify the meaning of the word “REPUBLIC”/“Republic” itself, the competing trade marks are, in my view, conceptually similar to a fairly high degree.

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

28. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade marks to identify the goods for which they have been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

29. As the opponent has filed no evidence of any use it may have made of its earlier trade marks I have only their inherent characteristics to consider. As I explained earlier, the distinctive character of each of the opponent’s trade marks rests predominantly in the presence in them of the word “REPUBLIC”/“Republic”. Considered on that basis and despite it being a word that will be well-known to the average consumer, as it is neither descriptive of nor non-distinctive for the goods in class 25, the trade marks are, absent use, possessed of an average degree of inherent distinctive character.

## Likelihood of confusion

30. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade marks as the more distinctive they are, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

31. Before I reach a conclusion, I need to comment on the content of the applicant's submissions and the attachments provided in support. Insofar as the applicant refers to what appears to be other trade marks containing the word "REPUBLIC" which co-exist with the opponent's earlier rights, this does not assist the applicant for the reasons explained by the opponent in their submissions filed during the evidence rounds i.e.

"40. The Applicant makes reference...to third party marks for BANANA REPUBLIC and CHIC REPUBLIC. It is important to note that the Office is not bound by the prior registrations currently on the Register. It is well recognised in law that state of the Register evidence is not persuasive as it says nothing about which of the marks are actually in use, if any, and any other reason behind the acceptance of such marks such as private agreements or understandings..."

32. In his submissions, the applicant explains that he has:

"...established goodwill in COTTON REPUBLIC and also promoted in UK prior since 2008 (sic). Therefore, the applicant asserts the unregistered rights of the trade mark COTTON REPUBLIC with the following evidences..."

33. As I mentioned earlier, the applicant provides a number of attachments in support of the above claim. Even if this information had been provided in the correct evidential format, it would not have assisted him for the reasons explained in Tribunal Practice Notice (“TPN”) 4 of 2009 which states:

**“The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker’s mark**

4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.

5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker’s mark, or having used the trade mark before the attacker used or registered its mark are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker’s mark.”

34. The competing goods are identical; this is a point in the opponent’s favour. Earlier in this decision, I concluded that the average consumer was either a member of the general public or a business user who (whilst not discounting aural considerations) is most likely to select the goods at issue by predominantly visual means paying at least a normal degree of attention during that process. Having assessed their distinctive and dominant components, I found the competing trade marks to be visually and aurally similar to a medium degree, and conceptually similar to a fairly high degree. Finally, I assessed the opponent’s trade marks to be inherently distinctive to an average degree.

35. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

36. I begin by reminding myself of the contribution the word “REPUBLIC”/“Republic” makes to both the overall impression the opponent’s trade marks convey, their distinctiveness and the obvious descriptive credentials of the word “Cotton” in relation to the goods at issue. In those circumstances, I think it is highly likely that an average consumer paying even a high degree of attention during the selection process will, unsurprisingly, simply assume that the word “Cotton” is being used to describe a characteristic of the goods, resulting in direct confusion.

37. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, commented upon the difference between direct and indirect confusion in the following terms:

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

38. One of the examples Mr Purvis Q.C. provided was:

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

39. To those examples one can, in my view, reasonably add a characteristic of the goods i.e. “Cotton”. Thus, even if the average consumer is not directly confused, there is, at the very least, a likelihood that the average consumer will construe the presence of the word “Cotton” as representing a sub-brand or brand extension of the opponent’s trade marks resulting in indirect confusion. Whether direct or indirect there is a likelihood of confusion and the opposition succeeds accordingly.

### **Overall conclusion**

**40. The opposition has succeeded and, subject to any successful appeal, the application will be refused.**

### **Costs**

41. As the opponent has been successful, it is entitled to a contribution to its costs. Awards of costs in proceedings commenced after 1 July 2016 are governed by Annex A of Tribunal Practice Notice (“TPN”) 2 of 2016. Applying the guidance in that TPN, I award costs to the opponent on the following basis:

Preparing a Notice of Opposition and reviewing the counterstatement:	£200
Written submissions:	£400
Official fee:	£100

**Total:**

**£700**

42. I order Yong Hei to pay to Republic IP 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 1<sup>st</sup> day of February 2018**

**C J BOWEN**

**For the Registrar**