


**O-646-18**

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 172 123:  BY  
PATRICIA ANN BRADY FOR GOODS IN CLASSES 9, 16 AND 28


AND

IN THE MATTER OF OPPOSITION THERETO BY KIT FOR KIDS LIMITED

## Background and pleadings

1. Patricia Ann Brady (the applicant) applied to register trade mark No 3 172



123:  in the UK on 29<sup>th</sup> June 2016. It was accepted and published in the Trade Marks Journal on 15<sup>th</sup> July 2016 in respect of the following goods:

Class 09:

*Games software; Audio books.*

Class 16:

*Books.*

Class 28:

*Toys handmade from felt, cotton, linen, fleece and polyester and board games handmade from cardboard and wood; none of the aforementioned being developed for use in schools and/or nurseries; none of the aforementioned being designed for outdoor play; none of the aforementioned being furniture, soft plays kits, cushions, carpets, mats.*

2. Kit for Kids Limited (the opponent) oppose the trade mark on the basis of Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). The opposition based upon Sections 5(2)(b) and 5(3) is based upon the following earlier trade marks:

- a) UK Trade mark No 2 236 495 KIT FOR KIDS, kit for kids (series of two).  
Registered in respect of active play equipment; *children's play mats; water-filled playmats; play houses; play tunnels; nursery play equipment; bean bags; foam play equipment; PVC covered foam play equipment; ball*

*pools; play furniture; soft play furniture; play parachutes and play parachute balls in Class 28.*

b) European Union (formerly Community) trade mark No 9 105 693:

**Kit for Kids**

. Registered in respect of:

*Class 20:*

*Cots; cribs; cradles; beds, foam beds; carry cots; mattresses; bedding; pillows; furniture; nursery furniture; tables; cupboards, drawers; dressers; baby changing stations; seating; chairs, folding chairs, folding chairs made of foam; chairs for nursing mothers; rocking chairs; chairs for children; high chairs; swinging chairs; bouncing chairs; bean bags; shelving; mirrors, picture frames and photograph frames; playpens; changing mats; sleeping mats; bolsters, pillows, cushions, support wedges.*

*Class 27:*

*Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; children's sleeping mats; children's play mats; play mats; wall hangings.*

*Class 28:*

*Toys; games and playthings; children's play mats; pools; paddling pools; water-filled playmats; play houses; exercise mats; play tunnels; nursery play equipment; foam play equipment; PVC covered foam play equipment; ball pools; play furniture; soft play furniture; active play equipment; play parachutes and play parachute balls in Class 28.*

c) European Union (formerly Community) trade mark No 3 101 912: KIT FOR KIDS. Registered for *children's play mats; water-filled playmats; play houses; play tunnels; nursery play equipment; bean bags; foam play equipment; PVC covered foam play equipment; ball pools; play furniture; soft play furniture; active play equipment; play parachutes and play parachute balls* in Class 28.

3. In respect of Section 5(2)(b), the opponent argues that the respective goods are identical or similar and that the marks are similar. In respect of Section 5(3), the opponent has not provided any particular arguments in support. However, from its completion of the notice of opposition, it is noted that it claims to enjoy a reputation in respect of all of its goods for which the earlier trade marks are registered; that the claim under Section 5(3) is limited to the class 28 goods applied for and focusses on its belief that the similarity between its earlier reputed trade marks and the later trade mark are such that the relevant public will believe that they are used by the same undertaking or think that there is an economic connection between the users of the trade marks.

4. Under Section 5(4)(a), the opponent relies upon the earlier signs: KIT FOR KIDS; kit for kids. Use is claimed from 8<sup>th</sup> September 1993 throughout the UK for *Cots; cribs; cradles; beds, foam beds; carry cots; mattresses; bedding; pillows; furniture; nursery furniture; tables; cupboards, drawers; dressers; baby changing stations; seating; chairs, folding chairs, folding chairs made of foam; chairs for nursing mothers; rocking chairs; chairs for children; high chairs; swinging chairs; bouncing chairs; bean bags; shelving; mirrors, picture frames and photograph frames; playpens; changing mats; sleeping mats; bolsters, pillows, cushions, support wedges; carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; children's sleeping mats; children's play mats; play mats; wall hangings; toys; games and playthings; children's play mats; pools; paddling pools; water-filled playmats; play houses; exercise mats; play tunnels; nursery play equipment; foam play*

*equipment; PVC covered foam play equipment; ball pools; play furniture; soft play furniture; active play equipment; play parachutes and play parachute balls.* The opponent claims that it has amassed a substantial goodwill and that should the applicant use its similar mark, it will benefit from consumers believing that their goods emanate from the opponent. This will lead to financial damage as well as damage to the opponent's distinctiveness and/or reputation and goodwill if the applicant's goods are not of equal quality or encounter any safety issues.

5. The applicant filed a counterstatement denying the claims made (and requesting that the opponent provides proof of use of its earlier trade marks relied upon).
6. Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary.
7. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

## **Evidence**

8. As already stated, both sides filed evidence. However, only the opponent's evidence in chief will be summarised as it is considered to be directly relevant to the issues in hand in these proceedings.
9. The evidence consists of a witness statement, dated 18<sup>th</sup> September 2017, from Jan Cornelis van der Velde, the CEO of the opponent. The following information is considered relevant:

- The opponents started by selling mattresses, mats and furniture, but by 2000, the company extended to using the earlier trade marks on toys, games and playthings. This is supported by UK, EU and worldwide filings for protection in Class 28 (the correct class for such goods)
- Turnover figures are provided and are around £3.4 million in 2007, £4.1 million in 2008, £5 million in 2009, £5.6 million in 2010, £6.1 million in 2011, £5.8 million in 2012, £5.7 million in 2013, £5.8 million in 2014, £6.4 million in 2015 and £6.3 million in 2016. It is noted that these figures have been provided in pounds sterling, but they have not been broken down into countries (and Mr Van der Velde refers to the opponent's products being sold in several countries), so it is unclear as to whether these are total worldwide turnover or UK specific. This is important in terms of the claim to enhanced distinctiveness, reputation and goodwill. Promotional spend is also provided but again this is not broken down geographically.
- The opponent's goods are directly advertised through the circulation of an annual catalogue, with approximately 2000 being distributed to parents, schools and nurseries. Exhibit JCV3 are the front pages of the opponent's 2014/15 catalogue showing the full description of the products, as well as the specific pages which relate to soft toys.
- The opponent claims that across the countries in which its products are sold, it features in "millions of catalogues". Exhibit JCV4 are extracts from the current GLS and TTS catalogues. It is claimed that GLS and TTS are the leading providers of educational supplies in England. It is noted that the extracts provided are dated after the relevant date. Further, that there is no context provided, most notably the reach of these catalogues.
- Exhibit JCV5 are extracts from the websites of amazon, argos and toysRus showing the opponent's products for sale. These are undated.
- The opponent company allegedly invests heavily in trade shows such as the Nuremburg Toy Fair, the Education Show (UK), and various shows in the US. The annual budget for these shows is £60k.
- The opponent has its own website, [www.kitforkids.com](http://www.kitforkids.com) but also has 1614 followers on Twitter and 2408 likes on Facebook.

- The opponent is a member of the British Education Resources Association and in 2013 won the Education Resource Award for the soft play ladybird toy cushion.
- The opponent's products are designed and developed in-house in the UK. In 2015, it won the HP Go Global Award for "Breakthrough Exporter of the Year", as reported in the Telegraph in 2015. This article is included in Exhibit JCV8.
- In August of 2017, the opponent secured £3.7 million through private equity house Capital Connection.
- The opponent is also involved in philanthropic ventures such as the support for Great Ormond Street Hospital, raising £1 for each cot mattress sold in ToysRUs, so far totalling £400k as well as other fundraising activities.

10. The second witness statement, dated 18<sup>th</sup> July 2018, is from Ms Alison Jane Cole, the trade mark attorney representing the opponent in these proceedings. Of particular relevance is exhibit AJC6, which is a printout from Google regarding a search for "kid for kids". The results show that the opponent's website [www.kitforkids.com](http://www.kitforkids.com) is the second generic result and fifth image result. According to Ms Cole, this clearly demonstrates the opponent's point regarding the similarity of the marks.

## **DECISION**

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

11. Section 5(2)(b) of the Act is 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".

## Comparison of goods

12. In the judgment of the Court of Justice of the European Union 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”.

13. 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 uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) 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;
- (f) 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.

14. Contested goods in Class 09:

*Games software; Audio books.*

The earlier goods include *toys, games and playthings*. This will include a wide variety of different items designed to educate and entertain children. The same is true of the later goods and so they can coincide in both in purpose and end user. They can also be in competition with one another as a child may choose an electronic game or an audio book over a physical toy, game or plaything. The trade channels may also coincide. They are considered to be similar to a medium degree.

15. Contested goods in Class 16:

*Books.*

Similar considerations apply to class 16. Books can be similar in purpose to the earlier *toys, games and playthings* as they seek to entertain and educate children. They can coincide in terms of end user and channels of trade. They can also be in competition with one another as a child may choose a book over a toy, game or plaything. They are considered to be similar, to a medium degree.

16. Contested goods in Class 28:

*Toys handmade from felt, cotton, linen, fleece and polyester and board games handmade from cardboard and wood; none of the aforementioned being developed for use in schools and/or nurseries; none of the aforementioned being designed for outdoor play; none of the aforementioned being furniture, soft plays kits, cushions, carpets, mats.*

17. As the earlier goods include *toys, games and playthings* at large, it is clear that the later goods are self-evidently identical. The limitation included as shown above, has no impact.



## Comparison of marks

18. 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 Court of Justice of the European Union 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, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

20. The respective trade marks are shown below:

<p>1. kit for kids, KIT FOR KIDS (series of two)</p> <p></p> <p>2.</p>	
Earlier trade marks	Contested trade mark

21. The earlier trade marks have no stand alone distinctive and dominant element and will be appreciated instantly as a whole. The later trade mark is clearly a complex trade mark. However, again, though the device is slightly more prominent, the words have virtually equal dominance. As such, the correct comparison to be made is as between the marks as wholes.

22. Visually, the marks coincide in respect of the word KIDS as they appear at the end of the verbal elements and letters "KI" which appear at the start. They differ in all other respects as shown including the eye catching device in the

later trade mark, the number 4 instead of “FOR” and KIT instead of KIDS. The degree of overall visual similarity is pitched as being very low.

23. Aurally, the earlier trade mark is “KIT FOR KIDS” and the later trade mark “KIDS FOR KIDS” (the numeral 4 is widely understood as being articulated as “for”). It is true that the later trade mark includes KIDS at the beginning as opposed to KIT, but nonetheless the remainder of the trade mark is aurally identical. Furthermore, KIDS and KIT has a notable degree of aural similarity. Overall, the marks are considered aurally similar to a high degree.

24. Conceptually, it is considered that the earlier trade marks will be understood as referring to equipment (or a group of items) for a specific purpose, particularly aimed at children. The later trade mark does not share this meaning. Indeed it is a somewhat odd combination with no clear, unequivocal meaning which has the effect of creating a conceptual gap. The marks are considered to not share a concept in common and so are not similar in this regard.

## **Average consumer and the purchasing act**

25. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

26. 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.”

27. The average consumer of the goods in question will be both the general public and educational professionals. The level of attention expected to be displayed is likely to vary as the price range and particular usage of, for example, a toy can range from very inexpensive and purchased frequently to those which are expensive and are therefore a less frequent purchase. The educational value, the safety and suitability and longevity of a product may also factor into any purchasing decision (which may follow a period of research). Further, products are likely to be self selected from the shelves of a shop, from a catalogue or following perusal of a website. As such, visual considerations are clearly important, though aural considerations are not ignored as the products could be requested orally. Despite the wide range of potential products, it is considered that the level of attention expected to be displayed is unlikely to ever be low and on some occasions may be fairly high.

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

28. 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).”

29. The opponent, in its evidence, claims that its earlier trade marks enjoy an enhanced degree of distinctiveness as a result of the use made. It is clear from the evidence that it has been using its earlier trade marks, however, the extent of UK based use is unclear. This is important as it is the perspective of the UK consumer which is key. There is no evidence regarding the size of the relevant market, which for the goods in question is likely to be large. There is no market share evidence either. The evidence filed does not give an indication as to the knowledge threshold of the earlier mark, let alone any enhanced ability to distinguish its goods from those of other undertakings. It cannot therefore be said to enjoy an enhanced degree of distinctive character.

30. The degree of distinctiveness needs therefore, to be assessed on a prima facie basis. KIT FOR KIDS (word only) in respect of toys, games and playthings<sup>1</sup>. As already indicated “kit” will be understood as meaning equipment (or a group of items) for a specific purpose. The “for kids” aspect merely indicates that this equipment or group of items is for use by children. It is considered that this trade mark’s degree of distinctive character is below average. The remaining earlier trade mark includes a jigsaw device, which

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<sup>1</sup> The position is considered in respect of these goods as these have already been found to be identical and similar to the contested goods.

adds little if anything to its overall degree of distinctiveness. A jigsaw is commonly used by children and so this only reinforces the message of the trade mark (and indeed provides an example of a “kit for kids”). This trade mark is also distinctive to a below average degree.

## **GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.**

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

### *The principles*

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

32. The goods are either identical or similar to a medium degree. This is important as a greater degree of similarity of the goods can offset a lesser degree of similarity between the marks. The earlier trade marks are distinctive to a



below average degree. This is also important as the higher the degree of distinctiveness of the earlier trade mark, the greater the chance of a likelihood of confusion. Further, the marks coincide only in respect of “for kids” which is very weak.

33. It is true that I have found the trade marks to be similar to a high degree aurally and I do not discount that it is possible that they may be misheard. However, there are protective factors against this as visually, there are numerous and notable differences between them resulting in only a very low degree of similarity. For products of this nature, a visual purchase is the most likely scenario. Further, conceptually the marks do not coincide and there is a conceptual gap between them. The differences between the marks are numerous and so it is considered that the average consumer, even those paying a low degree of attention, will not mistake one for the other. There is no likelihood of direct confusion. This conclusion is valid in respect of both of the earlier trade marks.

34. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

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

35. The point in common between the two marks is, aurally “for kids” (the number 4 in the later trade mark will be understood as meaning “for” and articulated accordingly). They are aurally highly similar. However, visually, the marks have little in common and have many differentiating features. Importantly, there is no overall concept in common despite both being “for kids”. Further, bearing in mind the goods in question, “for kids” is clearly a weak element in each of the marks. It is difficult therefore to see how the later trade mark could be seen as a logical brand extension. It is possible that the later trade mark may bring to mind the earlier trade marks, but this is association<sup>2</sup>, not confusion. There is no likelihood of indirect confusion. Again, this conclusion is valid in respect of both of the earlier trade marks.

## Final Remarks

36. It is noted that the opponent includes search results from the search engine Google in its evidence. However, it is considered that this merely demonstrates how a search engine works. When typing “kid for kids” into a search engine, it is clear as to why the results in the evidence were returned as, on the face of it, the letter strings are similar with similar ordering. Further, a search engine will, as part of its function, substitute letters in order to return a wider number of results. It is also notable that it wasn’t the exact trade mark applied for, i.e. kids for kids” that was inserted into the search engine. This may have produced a different result. Crucially, what this evidence does not demonstrate is whether the terms are likely to be **confusingly** similar to the relevant public. For the reasons already given, I consider that the relevant public will be able to distinguish between these trade marks and will not mistake one for the other, nor will they believe them to have emanated from the same source.

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<sup>2</sup> *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17

## Section 5(3) - Reputation

37. The opponent also bases its opposition on Section 5(3) of the Act.

38. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a 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.”

39. The relevant case law can be found in the following judgments of the CJEU:

*Case C-375/97, General Motors, Case 252/07, Intel, Case C-408/01, Adidas-Salomon, Case C-487/07, L’Oreal v Bellure and Case C-323/09, Marks and Spencer v Interflora.* The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29 and Intel, paragraph 63.*

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective

marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in

particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

40. In *General Motors*, Case C-375/97, the CJEU held that:

“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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

41. In *Rise Construction Management Limited v Barclays Bank*,<sup>3</sup> Professor Philip Johnson as the AP rejected an appeal against the HO's decision that the earlier mark had not been shown to have acquired a reputation for s.5(3) purposes. He said:

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<sup>3</sup> BL O/635/17

“76. Even if the Hearing Officer had considered all the evidence of other successful management projects (Bow Street Magistrates’ Court, the UK Pavilion at the Madrid Expo, the Royal Opera House, or Kidzania) and the attendant publicity as well as given some (possibly) very little weight to the awards it would have made no material difference. None of this material addresses the fundamental difficulties faced by the Respondent namely that there was no evidence presented as to market share, no evidence from trade bodies or from people with standing in the industry, and no evidence of the market in which the reputation was claimed.

77. In respect of this final point, at the end of the Hearing, I asked Mr Hollingworth in what market the Respondent claimed reputation. He said the “construction industry” and that his client was known as a project manager in that industry. There was no evidence presented as to the size of the construction industry market (a further problem for Mr Hollingworth identified by the Hearing Officer: see paragraph 56). Nevertheless, I can take notice of the fact that the industry is worth many tens of billions of pounds and employs well over a million people. The Respondent’s turnover (which as the Hearing Officer pointed out, does not break down between UK and overseas: paragraph 12) is at most £8million and the number employed nearly 100.

78. While the requirement for a reputation is “not onerous” (see *Enterprise Holdings, Inc v Europcar Group UK Ltd & Anor* [2015] EWHC 17 (Ch) at paragraph 120) and there was possibly more evidence the Hearing Officer should have considered to make her determination, none of the missing evidence could have materially changed her conclusion that “RISE has positive connotations of moving upwards” (paragraph 56) and that the Respondent did not have the necessary reputation in relation to construction management (paragraph 73). Furthermore, once the relevant market was identified by Mr Hollingworth as the behemoth that is the construction industry, the Hearing Officer’s statement might even appear generous. Accordingly, I dismiss the cross-appeal in relation to section 5(3).”

42. It is considered that the evidence of the opponent suffers from similar defects: no evidence about the market and no evidence of market share. It is impossible to place the use made of the earlier trade marks into any meaningful context and it is unclear as to the knowledge threshold of the earlier trade marks in the UK. As such, it has not shown that it enjoys a reputation and so its claim under Section 5(3) fails.

## **Section 5(4)(a) – Passing Off**

### **Legislation**

43. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

44. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case

(Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

45. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:



- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

46. The evidence filed by the opponent has already been discussed above. As regards goodwill, it is considered that the opponent’s business has demonstrated that it enjoys goodwill, though the reach of this cannot be determined as little of the evidence filed is put into context (the turnover figures are not clearly UK only, there is no size or market evidence, nor indeed or market share). Further, the business clearly does not enjoy a goodwill across all of the goods for which it is claimed. Rather, it is limited to toys, games and playthings and cots.

47. Bearing all of this in mind and also that it has already been found that there is no confusion, it is difficult to see how, even if a sizeable goodwill could be determined, how the claim under passing off puts the opponent in any better position. The earlier sign is notably different from the later trade mark and can

be readily distinguished. There is considered to be no misrepresentation. The claim under Section 5(4)(a) therefore also fails.

## **COSTS**

48. The applicant has been successful and is entitled to a contribution towards its costs. It is noted that the applicant has submitted a costs pro forma outlining the number of hours spent on these proceedings. These amount to 15 hours and 25 minutes. In the light of this information, I award the applicant the sum of £285 as a contribution towards the cost of the proceedings. This reflects time spent in filing a defence, considering evidence and filing and preparing evidence.

49. I therefore order Kit for Kids Limited to pay Patricia Ann Brady the sum of £285. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

**Dated this 11<sup>th</sup> day of October 2018**

**Louise White**

**For the Registrar**