

BL O-172-19

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 3229490

BY DREAMERSCLUB LTD

TO REGISTER THE FOLLOWING TRADE MARK:



**DREAMERS
CLUB**

AND

OPPOSITION THERETO (No 410045)

BY KTS GROUP LIMITED

Background

1. **DreamersClub Ltd** (the applicant) applied to register the trade marks:

Dreamers Club

Dreamersclub



as a series of three, in the UK on 08 May 2017. The application was accepted and was published in the Trade Marks Journal on 19 May 2017, in respect of a range of goods and services in several classes including class 25 and class 35

2. **KTS Group Limited** (the opponent) opposed the trade marks on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act), relying upon its earlier United Kingdom Trade Marks 2060937 for the mark **DREAMS** and 2216417 for the mark **DREAM**. The opposition is directed only against the class 25 goods and the class 35 services.
3. The opponent stated that it relies on all of the [class 25] goods covered by its registration, but then went on to make a statement of use only in relation to:

Class 25: Clothing.

4. Following the filing of the opposition, the applicant requested that the goods and services in the application that were not the subject of opposition be divided out and allowed to proceed under a new application. The applicant also requested that the two plain word marks '**Dreamers Club**' and '**Dreamersclub**', be deleted from this application. These changes were made.

5. The opponent's earlier mark 2060937 'DREAMS', was registered on 25 October 1996 and earlier mark 2216417 'DREAM', was registered on 27 April 2001. Given their dates of application, the opponent's marks qualify as earlier marks in accordance with Section 6 of the Act.
6. The applicant filed a defence and counterstatement, denying all of the grounds of opposition, and put the opponent to proof of use.
7. The opponent filed evidence of use on 19 March 2018.

My first decision

8. In my decision, issued on the 24 September 2018¹, I found that the opponent's evidence of use of its earlier marks was insufficient. I came to this decision because I concluded that the opponent had been using a mark which altered the distinctive character found in the registered plain word mark.
9. The opponent appealed my decision to the Appointed Person and, in his decision of 11 February 2019², Professor Phillip Johnson overturned my decision of 24 September 2018, remitting the case back to me for further consideration of the grounds of opposition. In his decision, Professor Johnson found that the stylised 'DREAMS' mark shown in use by the opponent, was acceptable variant use and could be relied upon in respect of both earlier marks 'DREAMS' and 'DREAM'.
10. Both of those decisions are set out below in annex A and B respectively.
11. As instructed, I now go on to consider the remaining questions required to determine the opposition. In summary, I need to determine, i) whether the use that has been made of the variant mark constitutes genuine use, ii) if there is genuine use, what a fair specification should be to reflect such use, and iii) whether there is a likelihood of confusion under Section 5(2)(b) of the Trade Marks Act 1994.

¹ BL O/596/18

² BL O/091/19

12. Both sides filed written submissions which I will continue to take into account. They will not be summarised but will be referred to as and where appropriate during this decision.
13. No hearing was requested prior to issuing my first decision. I have not re-opened the period to request a hearing (or to file further submissions) as I am simply continuing with the grounds of opposition on which the parties have already had an opportunity to request one. So, this decision is taken following a careful perusal of the papers.
14. Throughout the proceedings the applicant has been represented by Ladas & Parry London Limited whilst the opponent has been represented by Page Hargrave.

Decision

Genuine use

15. In my first decision, I assessed the evidence submitted by the opponent to prove use of its earlier marks. My summary of that evidence can be found in Annex A, at paragraphs 11 to 15 of my earlier decision.
16. The evidence does, in my opinion, prove that the opponent has used a stylised variant of the 'DREAMS' over a reasonable period of time, and to an acceptable degree in terms of geographical extent. The sales figures, invoices and pictures of goods bearing the mark provided by the opponent, are sufficient to show that the acceptable stylised variant of the mark 'DREAMS' has been used in trade on a range of clothing items during the relevant period of time across the territory.
17. I conclude therefore, that the opponent has shown genuine use of, and may rely upon, the earlier marks set out in the TM7.

Fair specification

18. I now need to determine a fair specification to reflect the use made. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

19. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of

the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

20. Whilst the opponent's earlier marks are registered for a broad range of goods in class 25, their statement of use was made only in respect of 'clothing'.

21. Following consideration of the opponent's evidence in my first decision, I did not come to a formal finding in respect of the scope of goods to which the opponent had shown use. I stated that the invoices and pictures of goods provided by the opponent suggested that they were in the business of providing 'women's outer clothing'. At that point, I went no further with my analysis of a 'fair specification', because I concluded that the opponent's evidence showed that it had been using a variant mark which altered the distinctive character found in the registered plain word marks on which it was relying. As my finding on that matter has been overturned, I now go on formally, to consider the question of a fair specification.

22. Whilst my initial summary suggested that the opponent had shown use of its mark only on women's outer clothing, after further analysis of the opponent's evidence, I am in agreement with the applicant's position, that the opponent has used its earlier marks on 'women's clothing' generally. I come to this decision based on several references within the invoices of sales, to items such as 'camisoles', 'boob tubes' and 'bralets', which can all be considered as underwear or under garments. I am of

the opinion however, that the opponent has not shown use on men's or children's clothing, or on footwear or headgear.

23. Based on the breadth of the clothing items shown in the evidence, I find therefore, that a fair specification for the earlier marks, is 'Women's clothing'.

Section 5(2)(b) of the Act

24. 5(2)(b) of the Act states:

“(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.”

25. The following principles are gleaned from the decisions of the Court of Justice of the European Union (“the CJEU”) 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.

Comparison of goods and services

26. 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”.

27. 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.

28. For the purposes of this decision, the parties' respective specifications are:

Earlier marks	Application
Class 25: Women's clothing.	<p>Class 25: Clothing, namely, t-shirts, hoodies, shorts, jackets, tops and trousers; footwear; headgear.</p> <p>Class 35: Online and in-store retail services in connection with the sale of belts, clothing, footwear and headgear.</p>

29. In *Gérard Meric v Office for Harmonisation in the Internal Market ('Merici')*, Case T- 133/05, the General Court 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 fur 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”.

30. The applicant's 'Clothing, namely, t-shirts, hoodies, shorts, jackets, tops and trousers' are entirely contained within the earlier goods 'Women's clothing', as the earlier term is quite broad and covers all items of women's clothing, whilst the applied for goods are not restricted in any way and may therefore be designed for/or intended for women to wear. Consequently, those goods are identical.

31. It is perhaps worth noting that even if the applied for goods had been limited to e.g. 'men's clothing', I would have concluded that the goods, sharing purpose, channels of trade, manufacturer and end-user, would be highly similar.
32. The applied for 'footwear' and 'headgear' are considered to be similar, to at least a medium degree, to the earlier 'women's clothing'. Footwear and headgear are generally similar in purpose to clothing, as they are all used to cover and protect the body, head or feet. They are often produced by the same undertaking, are found in the same retail outlets and target the same public. Moreover, many manufacturers and designers will design and produce clothing and headgear on one side and footwear on the other. Consumers looking for clothing and headgear will expect to find footwear in the same department or shop and vice versa. Therefore, I find the applied for footwear and headgear to be similar to the earlier women's clothing to a medium degree.
33. The applicant's services in class 35 cover the retail of belts, clothing, footwear and headgear.
34. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the General Court held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree.
35. In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs Q.C. as the Appointed Person reviewed the law concerning retail services v goods. He said (at paragraph 9 of his judgment) that:

"9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for

the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are 'similar' to goods are not clear cut."

36. I have also taken into account the findings in *Sanco SA v OHIM*³, and *Assembled Investments (Proprietary) Ltd v. OHIM*⁴, upheld on appeal in *Waterford Wedgewood Plc v. Assembled Investments (Proprietary) Ltd*⁵, and *Frag Comercio Internacional, SL, v OHIM*, Case T-162/08.

37. I conclude that as the applied for retail services are focused specifically in the area of clothing, footwear and headgear, and given the relationship between clothing and retailing of clothing, I find that there is a medium degree of similarity between the opponent's 'women's clothing' and the applicant's 'Online and in-store retail services in connection with the sale of belts, clothing, footwear and headgear'.

38. In conclusion, all of the later goods and services are found to be identical or similar to a medium degree to the earlier goods.

Average consumer and the purchasing act

39. 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.

³ Case C-411/13P

⁴ Case T-105/05, at paragraphs [30] to [35] of the judgment

⁵ Case C-398/07P

40. 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.”

41. To my mind, the average consumer of clothing, footwear, headgear, and the retail of such goods, will predominantly be the general public but could also be a professional public, buying on behalf of others.

42. The selection and purchasing of clothing is largely a visual process, as the average consumer will wish to see the goods and assess the overall aesthetic impact. I do not, however, ignore the potential for the marks to be spoken, for example, by sales assistants in a retail establishment or when making a purchase from a catalogue, or over the telephone. However, in those circumstances, the consumer will have had an opportunity to view the goods, perhaps electronically via an online catalogue or website, or on paper in the traditional sense of catalogue shopping. Therefore, when considering the aural impact of the marks, the visual impression of these goods will already have played a part in the consumer’s mind. The visual impression can also be said to play a large part in the selection of the retail services, as the average consumer will be exposed to signage displayed on the outside of retail establishments and on retail websites. There will also be an element of aural impact, due to word of mouth discussion and recommendation.

43. As the goods and services at issue are day to day items of clothing, footwear and headgear, and the retail of such goods, the average consumer will pay no more than a medium level of attention during their selection.


Comparison of marks

44. 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.”

45. 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.

46. The respective trade marks are shown below:

Earlier marks	Contested trade mark
DREAM DREAMS	

47. The opponent's marks are comprised of the plain words 'DREAM' and 'DREAMS' in a standard font and capital typeface. The overall impression of the marks lies in their totality.

48. The applicant's mark is comprised of the words 'DREAMERS' and 'CLUB' presented in fairly standard font and capital typeface, with the word 'DREAMERS' placed above the word 'CLUB' and displayed on a slight curve. Whilst the word 'DREAMERS' is presented in slightly larger lettering, neither element can be said to dominate the whole, and both words make a roughly equal contribution to the mark. As such, the overall impression in the applied for mark lies in its totality.

Visual similarity

49. Visually, the marks can be said to share the word 'DREAM'. The earlier marks comprise solely of this word and the plurality of it. The applied for mark comprises two words, 'DREAMERS' and 'CLUB'. The marks differ in the 'ERS' ending of the word 'DREAMERS' and in the word 'CLUB' of the later mark, which has no counterpart in either of the earlier marks. These marks are considered to be visually similar to a lower than average degree.

Aural similarity

50. Aurally, the earlier marks will be enunciated as /DREEM/ and /DREEMZ/. The later mark will be articulated as /DREEM/URZ/KLUB/. The marks differ in the elements /URZ/ and /KLUB/ of the later mark. Whilst the beginning of each mark can be said to be aurally identical, a significant portion of the later mark is not replicated in the earlier marks and these aural differences between the marks will be immediately obvious. These marks are considered to be aurally similar to a lower than average degree.

Conceptual similarity

51. The earlier marks are the plain words 'DREAM' and 'DREAMS'. A dream is an imaginary series of events experienced whilst sleeping. The earlier marks may

therefore possibly convey a conceptual message around the notion of sleeping or of a dream experience. It is also possible that the term 'DREAM' may be perceived as a laudatory term, as this word can be used to suggest a level of quality, for example the owner of a new car may claim that the car is 'a dream to drive'. The later mark is comprised of the words 'DREAMERS' and 'CLUB'. A Dreamer is a person who thinks a lot and makes plans that are unlikely to happen or are improbable. The word 'Club' refers to a group of people, or an organisation, that share a common interest in a subject or activity and meet to discuss or engage in that interest. If the later mark can be said to have any conceptual impact at all, it can only be that of a club that someone with a 'dreamer' type personality may wish to join or engage with.

52. As such, the marks are conceptually dissimilar as they do not share any conceptual message.

53. In conclusion, the marks have been found to be visually and aurally similar to a lower than average degree, and conceptually dissimilar.

Distinctive character of the earlier trade marks

54. 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).”

55. The opponent has made no specific claim that its earlier marks have acquired an enhanced degree of distinctive character, however it did file evidence of use which I have duly considered. Having considered the evidence that the opponent submitted to prove genuine use of its earlier marks, I conclude that, whilst the marks can be said to have been used in the market place during the relevant period, the marks cannot be said to have an enhanced degree of distinctive character due to the use shown. The level of sales of goods under the stylised ‘DREAMS’ mark is reasonable, but cannot be said to be substantial or significant, within the context of the UK clothing market as a whole. The opponent did not provide any information relating to the marketing and promotion of its goods. I must therefore assess the marks purely on their inherent distinctive character.

56. The earlier marks ‘DREAM’ and ‘DREAMS’ have no direct link or association to the goods concerned, namely women’s clothing. Whilst there might be a loose conceptual link to sleepwear, this would be only mildly suggestive. There may also be the perception of a laudatory use of the word ‘DREAM’, however this would be only mildly suggestive at best. Therefore, both of the earlier marks can be said to have a normal or average degree of inherent distinctive character.

Likelihood of Confusion

57. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion

(*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

58. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related).

59. The marks have been found to be visually and aurally similar to a lower than average degree and conceptually dissimilar.

60. The goods and services at issue have been found to be identical or similar to a medium degree.

61. As the goods and services concerned are day to day products, the level of attention being paid by the consumer during the selection process will be no higher than normal.

62. During the selection process the visual impact of the marks will carry the most weight in the mind of the average consumer.

63. In *Quelle AG v OHIM*, Case T-88/05, the General Court found that visual similarity (and difference) is most important in the case of case of goods that are self-selected or where the consumer sees the mark when purchasing the goods. The Court stated that:

“68..... If the goods covered by the marks in question are usually sold in self-service stores where consumers choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any phonetic similarity between the signs (*NLSPORT, NLJEANS, NLACTIVE and NLCollection*, paragraph 53 *supra*, paragraph 49).

69. Likewise, the degree of phonetic similarity between two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public usually perceives visually the mark designating those goods (*BASS*, paragraph 56 supra, paragraph 55, and Case T-301/03 *Canali Ireland v OHIM – Canal Jean (CANAL JEAN CO. NEW YORK)* [2005] ECR II-2479, paragraph 55). That is the case with respect to the goods at issue here. Although the applicant states that it is a mail order company, it does not submit that its goods are sold outside normal distribution channels for clothing and shoes (shops) or without a visual assessment of them by the relevant consumer. Moreover, while oral communication in respect of the product and the trade mark is not excluded, the choice of an item of clothing or a pair of shoes 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 (*NLSPORT, NLJEANS, NLACTIVE and NLCollection*, paragraph 53 supra, paragraph 50). The same is true of catalogue selling, which involves as much as does shop selling a visual assessment of the item purchased by the consumer, whether clothing or shoes, and does not generally allow him to obtain the help of a sales assistant. Where a sales discussion by telephone is possible, it takes place usually only after the consumer has consulted the catalogue and seen the goods. The fact that those products may, in some circumstances, be the subject of discussion between consumers is therefore irrelevant, since, at the time of purchase, the goods in question and, therefore, the marks which are affixed to them are visually perceived by consumers.”

64. Taking all of the aforesaid into account, it is my opinion that the differences between the marks at hand will not be overlooked. Whilst there is a degree of visual similarity between the marks, I do not believe that the average consumer will mistake one for the other, even when considering the principle of imperfect recollection and the fact that the consumer will likely not be faced with both marks simultaneously. Therefore, I find that the marks will not be directly confused.

65. Having found that direct confusion will not occur when the average consumer is faced with one of the marks at issue, having previously encountered the other(s), I

will now go on to consider whether the average consumer would consider the common elements in the marks and determine, through a mental process, that the marks are related and originate from the same, or an economically linked undertaking, thereby indirectly confusing the marks.

66. Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 noted that:

“16. ...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.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(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.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”.

67. These examples are not exhaustive, but provide helpful focus. I also keep in mind the guidance provided by Mr James Mellor Q.C., as the appointed person, in *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, where he stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

68. In written submissions, the opponent claimed that the element 'DREAM', which is shared by the marks at hand, is a dominant and distinctive element in the marks, and, as the initial element in the applied for mark, would be the part of that mark to which the average consumer would focus attention. The opponent also claimed that the word 'CLUB' in the applied for mark was commonplace and descriptive, and therefore likely to go unnoticed by the average consumer. With all of that in mind, and taking the principle of imperfect recollection into account, the opponent claimed that the average consumer would perceive the later mark as a natural variant or extension of the opponent's DREAM/DREAMS range of goods and the marks would consequently be indirectly confused.

69. I do not accept the opponent's arguments. In my opinion there is no element in any of the marks at issue, that could be claimed to be strikingly distinctive, nor can the later mark be said to be a mark that would be perceived as a logical or consistent brand extension of the 'DREAMS' or 'DREAM' marks. I do not accept therefore, that the average consumer, when faced with the later mark, would conclude that it is another brand of the owner of the earlier marks.

70. Taking all of this into consideration, I conclude that the marks at issue will not be indirectly confused by the average consumer.

Conclusion

71. The opposition fails. Subject to appeal, the application may proceed to registration for all of the applied for goods.

Costs

72. The applicant has been successful and is entitled to a contribution towards its costs. I award DreamersClub Ltd the sum of £900 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing the statement of case and considering the counterstatement	£200
Considering the evidence of the opponent	£500
Preparing written submissions	£200
Total	£900

73. I therefore order KTS Group Limited to pay DreamersClub Ltd the sum of £900. 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 xx day of April 2019

**Andrew Feldon
For the Registrar
The Comptroller-General**

ANNEX A

BL O-596-18

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 3229490

BY DREAMERSCLUB LTD

TO REGISTER THE FOLLOWING TRADE MARK:



**DREAMERS
CLUB**

AND

OPPOSITION THERETO (No 410045)

BY KTS GROUP LIMITED

Background and pleadings

1. **DreamersClub Ltd** (the applicant) applied to register the trade marks:

Dreamers Club

Dreamersclub



as a series of three, in the UK on 08 May 2017. The application was accepted and was published in the Trade Marks Journal on 19 May 2017, in respect of the following goods and services:

Class 14: Precious metals and their alloys; jewellery; precious stones; horological and chronometric instruments; personal ornaments; unwrought and semi-wrought precious stones and their imitations; keyrings; clocks and watches; watch bands, watch straps, watch cases; jewel cases of precious metal; shoe ornaments of precious metal; charms in precious metals, semi-precious metals or coated therewith.

Class 18: Leather and imitations of leather; bags; handbags; shoulder bags; toiletry bags; garment bags; make-up bags; kit bags; rucksacks; sports bags; gym bags; beach bags; swing bags; hip bags; cross body bags; travel bags; luggage; wallets; purses; key cases (leather ware); umbrellas; parasols; leather laces, cords, twists and straps, belts.

Class 25: Clothing; footwear; headgear.

Class 35: Advertising; business management; business administration; office functions; sales promotion for others; marketing; marketing research; organisation of fashion shows for promotional purposes; organisation of exhibitions and trade fairs for commercial or advertising purposes; online and in-store retail services in connection with the sale of magnetic data carriers, recording discs, compact discs, DVDs and other digital recording media; online and in-store retail services in connection with the sale of spectacles, sunglasses, cases, cords and chains for spectacles and sunglasses, lenses for spectacles and sunglasses; online and in-store retail services in connection with the sale of bags and cases for personal digital assistants, electronic organisers, laptop computers, tablet computers, mobile phones and e-book devices; online and in-store retail services in connection with the sale of cases, covers, carry bags and holders for telephones, smart phones, mobile telephones, satellite navigational devices, MP3 and other digital format audio and video players, cameras and video cameras; online and in-store retail services in connection with the sale of hands free kits for telephones, wireless headsets, headphones, loudspeakers, microphones, radios and chargers; online and in-store retail services in connection with the sale of jewellery, keyrings, clocks and watches, watch bands, watch straps, watch cases and stationery; online and in-store retail services in connection with the sale of bags, handbags, shoulder bags, toiletry bags, garment bags, make-up bags, kit bags, rucksacks, sports bags, gym bags, beach bags, swing bags, hip bags, cross body bags, travel bags, luggage, wallets, purses, key cases (leather ware), umbrellas and parasols; online and in-store retail services in connection with the sale of leather laces, cords, twists and straps, belts, clothing, footwear and headgear; information, advisory and consultancy services in relation to all the aforesaid.

2. **KTS Group Limited** (the opponent) opposes the trade mark on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (the Act), relying upon its earlier United Kingdom Trade Marks 2060937 for the mark **DREAMS** and 2216417 for the mark **DREAM**. The following goods are relied upon in this opposition:

Class 25: Clothing.

3. Following the filing of the opposition, the applicant requested that its class 25 specification of goods be restricted to 'Clothing, namely, t-shirts, hoodies, shorts, jackets, tops and trousers; footwear; headgear'.
4. The applicant also requested that the two plain word marks in the series of three marks be deleted, leaving the application only for the stylised mark:



5. The opposition is raised against all of the goods applied for in class 25 and some of the services applied for in class 35 of the application, namely:

Class 25: Clothing, namely, t-shirts, hoodies, shorts, jackets, tops and trousers; footwear; headgear.

Class 35: Online and in-store retail services in connection with the sale of belts, clothing, footwear and headgear.

6. The opponent claims in its statement of grounds (TM7) that the applicant's mark is visually, aurally and conceptually very similar to the opponents 'DREAM' and 'DREAMS' marks. The opponent also states that the applicant's goods in class 25 and some of the services in class 35 are identical or similar to the goods of the opponent and that, as such, there is a likelihood of confusion and association.
7. The applicant filed a defence and counterstatement, denying all the grounds of opposition and putting the opponent to proof of use for all the goods relied upon.
8. The opponent filed evidence. 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.

9. The applicant has been represented throughout the proceedings by Ladas & Parry London Limited whilst the opponent has been represented by Page Hargrave.
10. The opponent's earlier mark 2060937 'DREAMS', was registered on 25 October 1996 and earlier mark 2216417 'DREAM', was registered on 27 April 2001. Given their dates of registration, the opponent's marks qualify as earlier marks in accordance with Section 6 of the Act. The opponent states, in its notice of opposition, that it has used its trade marks in relation to some of the goods relied upon, namely 'clothing' in class 25. This statement is made because the earlier marks are subject to the proof of use provisions contained in Section 6A of the Act. As the statement of use has only been made in respect of 'clothing' this is all that the opponent may rely upon, subject to satisfying the proof of use requirements.

EVIDENCE

11. The opponent filed evidence on 19 March 2018, which consists of a witness statement from Mr Tahir Sharif, the opponent's Executive Director, and eight **exhibits KTS1 – KTS 8**.
12. Mr Sharif has held his position with the opponent company since 1983 and is authorised to provide the information in the Witness Statement. He states:
 - KTS Group has been selling clothing and related goods bearing the DREAMS mark since 1982, principally as wholesalers, through their wholly owned subsidiary Flick Fashions Limited, of which Mr Sharif is also Executive Director, and which is authorised to use the marks on behalf of the Group.

- KTS Group also sell DREAMS clothing and related goods in the UK through their retail outlets. The KTS Group has also sold DREAM label garments itself or via a licensee since 1999.

- Sales in the UK for recent years have been:

2012 - £1,599,553.87

2013 - £858,726.52

2014 - £526,837.83

2015 - £754,193.86

2016 - £1,097,771.47

2017 - £1,068,687.41

- These sales figures apparently relate to DREAMS or DREAM sales but the opponent cannot provide a clear breakdown of sales per mark. In the relevant period most of the sales were, according to Mr Sharif, apparently under the DREAMS mark.
- The relevant period for evidence of use is the five-year period prior to the publication date of the opposed application, i.e. 20 May 2012 to 19 May 2017 in this case.
- The opponent uses various codes on its invoices to identify certain styles of items. The opponent provided a list of style codes that relate directly to goods that are badged as DREAM or DREAMS products. These codes are shown in the witness statement and are used in exhibits KTS1 - KTS5.

Exhibits:

KTS1: provides 8 sales invoices for the year 2017, alongside several images of women's outer clothing. These invoices show a reasonable geographic spread across southern England, cover the time period Jan-April 2017 and amount to £11,307.48. There is no evidence of the mark 'DREAM' being

used at all, and all use of the mark 'DREAMS' is in the stylised format shown below:



KTS2: provides 15 sales invoices for the year 2016, alongside images of women's outer clothing. These invoices show a reasonable geographic spread across southern England, cover the time period Jan-Dec 2016 and amount to £27,096.36. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS3: provides 5 sales invoices for the year 2015, alongside images of women's outer clothing. These invoices show a reasonable geographic spread across southern England, cover the time period Jan-Oct 2015 and amount to £5,625.06. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS4: provides 5 sales invoices for the year 2014, alongside images of women's outer clothing. These invoices show a geographic spread across southern England, cover the time period Apr-Sept 2014 and amount to £10,777.62. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS5: provides 4 sales invoices for the year 2013, alongside images of women's outer clothing. These invoices show a geographic spread across southern England, cover the time period Feb-Jul 2013 and amount to £8,454.84. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS6: provides 5 sales invoices for the year 2012, alongside images of women's outer clothing. These invoices show a geographic spread across

southern England, cover the time period Jun-Nov 2012 and amount to £10,382.64. There is no evidence of 'DREAM' being used. All use of the word DREAMS is in the stylised version shown above.

KTS7: Comprises several images of women's outer clothing, tops and trousers. All displaying the same figurative, stylised DREAMS mark on the clothing labels and on swing tags attached to the garments. The mark is presented in white lettering on a dark, brown or black background.

KTS8: consists of several prints from the website of Flick Fashions Limited, showing further images of women's clothing bearing the stylised DREAMS mark on the webpages. These prints are all dated 30 October 2017 and are therefore outside of the relevant date for provision of proof of use.

13. The opponent's stylised 'DREAMS' mark has been demonstrated to be in use between 2012-2017 based on the invoices provided under exhibits KTS1-6. The opponent has sold goods across a large part of southern England. There are no indications of any marketing or promotional activities that the opponent may have undertaken to raise awareness of its brands. All of the information provided appears to relate back to Flick Fashions Limited, a subsidiary of the opponent KTS Group Limited.
14. In its written submissions, dated 05 July 2018, the applicant states that the opponent's earlier registrations are for the plain word marks, 'DREAMS' and 'DREAM', which is correct. However, it claims that the opponent shows no use of the mark 'DREAM' in its evidence, and that the only use of the mark 'DREAMS' is in the heavily stylised format shown above.
15. The applicant also notes that the opponent's evidence points to sales of women's clothing only. I would suggest that in fact it is narrower than this in fact, and only shows women's outer clothing. There is no evidence of the provision or sale of undergarments, footwear or headgear at all.

Proof of Use

The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

Section 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

16. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He said:

“217. *The law with respect to genuine use* . In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439 , Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759

(to which I added references to Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

218. An important preliminary point to which Prof Annand draws attention in her decision is that, whereas the English versions of Articles 10(1) and 12(1) of the Directive and Articles 15(1) and 51(1)(a) of the Regulation use the word “genuine”, other language versions use words which convey a somewhat different connotation: for example, “ernsthaft” (German), “efectivo” (Spanish), “sérieux” (French), “effettivo” (Italian), “normaal” (Dutch) and “sério/séria” (Portuguese). As the Court of Justice noted in *Ansul* at [35], there is a similar difference in language in what is now recital (9) of the Directive.

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

17. According to section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five-year period ending on the date of publication of the applied for mark. Consequently, the relevant period is 20 May 2012 to 19 May 2017.

18. Before assessing the opponent’s evidence of use, I remind myself of the comments of Mr Daniel Alexander, Q.C., sitting as the Appointed Person, in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, where he stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of

protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

19. In *Nirvana Trade Mark*, BL O/262/06, Mr Richard Arnold Q.C. (as he then was) as the Appointed Person summarised the test under s.46(2) of the Act, which is analogous to Section 6A(4)(a), as follows:

"33. The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period...


34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter’s distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive

character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

20. Although this case was decided before the judgment of the Court of Justice of the European Union ("CJEU") in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, it remains sound law so far as the question is whether the use of a mark in a different form constitutes genuine use of the mark as registered.

21. The distinctiveness of the earlier marks as registered, lies in the plain words 'DREAM' and 'DREAMS'. The mark 'DREAM' has not been shown in use by the opponent. The mark 'DREAMS', as used in trade by the opponent, is presented in a heavily stylised design, similar in some respects to a signature effect. The mark 'DREAMS' as used, is a substantially altered variation of the registered mark in my opinion, and would have a significant impact on the average consumer. It is far from the sort of variation envisaged by the CJEU in *Bernhard Rintisch v Klaus Eder* Case C-533/11:

"21 The purpose of art.10(2)(a) of Directive 89/104, which avoids imposing a requirement for strict conformity between the form used in trade and the form in which the trade mark was registered, is to allow the proprietor of the mark, in the commercial exploitation of the sign, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned."

22. I find the mark in use, namely: , to be a variant of the registered mark 'DREAMS' that goes beyond the normal course of trade evolution, and in which the stylistic differences from the plain word mark can be said to clearly alter the distinctive character found in that plain word mark. I am reminded of *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, BL 0/404/13, in which Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, reviewed a mark which had been registered in plain letters, but used in stylised form. He said " The way in which the former individualises the latter may

perhaps be analogised to the way in which a signature individualises the name it represents.” The way in which the opponent in this case has used its mark is in the style of a signature. I do not find that the average consumer, even presupposing that they perceive the word ‘dreams’ in the mark being used by the opponent, something that cannot be guaranteed, would assume that the goods provided under that stylised mark originate from the same undertaking as those products badged with the earlier registered mark ‘DREAMS’. Accordingly, I find that there has been no genuine use of the opponent’s earlier marks during the relevant period

Conclusion

23. The opponent has failed to show that its earlier marks ‘DREAM’ and ‘DREAMS’ have been used in the market place as registered. As such, the opponent is not entitled to rely upon either of its earlier marks, which means that the opposition fails. Subject to appeal, the applied for mark may proceed to registration.

Costs

24. The applicant has been successful and is entitled to a contribution towards its costs. I award DreamersClub Ltd the sum of £400 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing the statement of case and considering the counterstatement	£200
Preparing written submissions	£200
Total	£400

24. I therefore order KTS Group Limited to pay DreamersClub Ltd the sum of £400. 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 2 April 2019

**Andrew Feldon
For the Registrar
The Comptroller-General**

ANNEX B

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3,229,490 IN THE NAME OF DREAMERSCLUB LTD

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF ANDREW FELDON DATED 24 SEPTEMBER 2018 (O/596/18)

DECISIO

Introduction

1. This is an appeal from the decision of Andrew Feldon, for the Registrar, dated 24 September 2018 in which he dismissed the KTS Group Limited's opposition under section 5(2)(b) of the Trade Marks Act 1994 to the application of Dreamersclub Ltd. KTS appeal that decision.
2. Originally, the application in suit (No 3,229,490) covered two word marks and one stylised mark. The two word marks were deleted and now the Respondent is seeking to register only the following stylised mark in Classes 25 and 35:



3. The opposition was based on two earlier trade marks. The first was the word mark DREAM (No. 2,216,417) and the second the word mark DREAMS (No 2,060,937). Both of these marks were more than five years old at the date of filing of the application in suit and so the Appellant was required to prove use.
4. This appeal relates to a single issue. The Hearing Officer found that the Appellant had proved use of a stylised version of the word mark DREAMS. However, he found that this stylised form of the mark differed sufficiently from the word mark such that it altered its distinctive character and so the use of that stylised mark was not use of the word mark. The Appellant appeals this finding.

Standard of appeal

5. The principles applicable on appeal from the registrar were considered in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 by Daniel Alexander QC sitting as the Appointed Person. Mr Alexander summarised the position at paragraph 52 of his Decision (I made a few minor updates to this summary in *Grill'O Express* (O/140/17), paragraph 6, which I have incorporated in square brackets):

52. Drawing these threads together, so far as relevant for the present case, the principles can therefore be summarized as follows.

- (i) Appeals to the Appointed Person are limited to a review of the decision of Registrar (CPR [52.21]). The Appointed Person will overturn a decision of the Registrar if, but only if, it is wrong ([...][CPR 52.21]).
- (ii) The approach required depends on the nature of decision in question (*REEF*). There is spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision. At one end of the spectrum are decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum are multi-factorial decisions often dependent on inferences and an analysis of documentary material (*REEF, DuPont*).
- (iii) In the case of conclusions on primary facts it is only in a rare case, such as where that conclusion was one for which there was no evidence in support, which was based on a misunderstanding of the evidence, or which no reasonable judge could have reached, that the Appointed Person should interfere with it (*Re: B and others*).
- (iv) In the case of a multifactorial assessment or evaluation, the Appointed Person should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions. In particular, where an Appointed Person has doubts as to whether the Registrar was right, he or she should consider with particular care whether the decision really was wrong or whether it is just not one which the appellate court would have made in a situation where reasonable people may differ as to the outcome of such a multifactorial evaluation (*REEF, BUD, Fine & Country and others*).
- (v) Situations where the Registrar's decision will be treated as wrong encompass those in which a decision is (a) unsupportable, (b) simply wrong (c) where the view expressed by the Registrar is one about which the Appointed Person is doubtful but, on balance, concludes was wrong. It is not necessary for the degree of error to be "clearly" or "plainly" wrong to warrant appellate interference but mere doubt about the decision will not suffice. However, in the case of a doubtful decision, if and only if, after anxious consideration, the Appointed Person adheres to his or her view that the Registrar's decision was wrong, should the appeal be allowed (*Re: B*).
- (vi) The Appointed Person should not treat a decision as containing an error of principle simply because of a belief that the decision could have been better

expressed. Appellate courts should not rush to find misdirections warranting reversal simply because they might have reached a different conclusion on the facts or expressed themselves differently. Moreover, in evaluating the evidence the Appointed Person is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account. (*REEF, Henderson and others*).

Bearing in mind the repeated reminders that different points are likely to be particularly relevant in other cases, this is not intended to be a summary of universal application for other cases where particular aspects of the approach may require different emphasis.

6. I will apply these principles.

The appeal

7. As I have already indicated, the single issue in the appeal was whether the use of the mark in the form below amounted to use of the simple word mark DREAMS (and DREAM) for the purposes of section 6A of the Trade Marks Act 1994:




8. The key provision is section 6A(4)(a) (which implements article 16(5)(b) of the Recast Trade Marks Directive 2015/2436):

(4) For these purposes—

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered...

9. The Hearing Officer's conclusions were in paragraphs 21 and 22 of the Decision:

The distinctiveness of the earlier marks as registered, lies in the plain words 'DREAM' and 'DREAMS'. The mark 'DREAM' has not been shown in use by the opponent. The mark 'DREAMS', as used in trade by the opponent, is presented in a heavily stylised design, similar in some respects to a signature effect. The mark 'DREAMS' as used, is a substantially altered variation of the registered mark in my opinion, and would have a significant impact on the average consumer...

I find the mark in use, namely:  to be a variant of the registered mark 'DREAMS' that goes beyond the normal course of trade evolution, and in which the stylistic differences from the plain word mark can be said to clearly alter the distinctive character found in that plain word mark. I am reminded of *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd*, BL 0/404/13, in which Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, reviewed a mark which had been registered in plain letters, but used in stylised form. He said "The way in which the former individualises the latter may perhaps be analogised to the way in which a signature individualises the name it represents." The way in which the opponent in this case has used its mark is in the style of a signature. I do not find that the average consumer, even presupposing that they perceive the word 'dreams' in the mark being used by the opponent, something that cannot be guaranteed, would assume that the goods provided under that

stylised mark originate from the same undertaking as those products badged with the earlier registered mark 'DREAMS'. Accordingly, I find that there has been no genuine use of the opponent's earlier marks during the relevant period

10. The Appellant's case is that the use of the stylised mark was sufficient use of the word mark DREAMS (and DREAM) as it does not alter its distinctive character.

Word marks

11. The Hearing Officer treated the word mark as a "plain word mark". He did not consider the extent of protection granted to word marks. The General Court has long held a view on word marks which was recently reiterated in T-24/17 *La Superquimica v EUIPO*, EU:T:2018:668 at paragraph 39:

it should be noted that a word mark is a mark consisting entirely of letters, words or groups of words, without any specific figurative element. The protection which results from registration of a word mark thus relates to the word mentioned in the application for registration and not the specific figurative or stylistic aspects which that mark might have. As a result, the font in which

the word sign might be presented must not be taken into account. It follows that a word mark may be used in any form, in any colour or font type...

12. The broad protection for word marks originated in comparisons for similarity (see T-211/03 *Faber v OHIM* [2005] ECR II-1297, paragraph 37 and T-434/07 *Volvo v OHIM* [2009] ECR II-4415 at paragraph 37). When this rule was applied to use in T-333/15 *Josel v EUIPO*, EU:T:2017:444, the General Court held that "the font that the sign might be presented in must not be taken into account" (at paragraph 38) and this was reiterated in *Superquimica*. The word "font" is now widely used to mean "typeface and font" and this must be what the General Court meant. In printing, the typeface is the particular design of the type (e.g. Times New Roman) and the font is its size and weight (e.g. 10pts and bold).

13. Neither the Hearing Officer nor the parties in their written submissions before the Hearing Officer (or in their written submissions before me) addressed this well-known rule. This led the Hearing Officer into error. The presentation of the DREAMS mark in paragraph 7 above is no more than it being represented in a cursive typeface.

14. Accordingly, for the purposes of assessing use of the DREAMS word mark the fact it has been presented in what might be called a cursive typeface and not as a plain word mark must be disregarded. Following the Hearing Officer's finding in paragraph 13 of his Decision that the stylised DREAMS mark had been used he should have gone on to find that the "plain" word mark DREAMS has been sufficiently used for the purpose of section 6A.

15. Another question arises as to whether the addition of the letter "S" in the stylised DREAMS mark used affects the distinctive character of the word mark DREAM. In other words, whether use of the mark in paragraph 7 above is use of both word marks DREAM and DREAMS.

16. The General Court has held in T-194/03 *Il Ponte Finanziaria* [2006] ECR II-445 at paragraph 50 (not overturned by the Court of Justice C-234/06 *Il Ponte Finanziaria* [2007] ECR I-7333):

...where the sign used in trade differs from the form in which it was registered only in negligible elements, so that the two signs can be regarded as broadly equivalent, the abovementioned provision envisages that the obligation to use the trade mark registered may be fulfilled by furnishing proof of use of the sign which constitutes the form in which it is used in trade.

17. It appears that the General Court applies quite a liberal test in this regard, it has held that the addition of words or minor figurative elements can be seen as broadly equivalent and so do not alter the distinctive character of the mark: see for instance: T-287/15 *Tayto Group*, EU:T:2017:443; T-418/16 *Galletas Gullón*, EU:T:2017:746; and T-204/14 *Victor International*, EU:T:2016:448.

18. In the circumstances, the pluralisation of DREAM into DREAMS cannot be held to alter the distinctive character of the word mark DREAM. Accordingly, the use of the stylised DREAMS would also be use of the mark DREAM.

19. Therefore, I overturn the Hearing Officer's finding that there was no use of the marks DREAM and DREAMS and remit the matter back to him to consider the substantive objection under section 5(2)(b). I also discharge his costs order.

20. The parties provided only short written submissions for this appeal and so I make no award as to costs.

PHILLIP JOHNSON
11 February 2019